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Appendices


City of Modesto Urban Area General Plan

Appendices

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Appendix

City of Modesto Urban Area General Plan

Appendices

City of Modesto
Urban Area General Plan

Appendices

- A. 1992 Housing Element Technical Appendix.
- B. 1992 Housing Element

Appendix A

1992 Housing Element Technical Appendix.

MODESTO URBAN AREA GENERAL PLAN

HOUSING ELEMENT

MAY 1992

Technical Appendix



DEPARTMENT OF PLANNING and COMMUNITY DEVELOPMENT
CITY OF MODESTO

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1.0 Introduction

1.1 Purpose of the Report

This Technical Appendix has been prepared in accordance with the requirements mandated in Government Code Sections 65580 et. seq. This **Technical Appendix of the Housing Element** contains an analysis of: community demographic characteristics; population groups with special housing needs; factors which represent constraints to the production of housing; employment trends; an inventory of land suitable for future residential development; and residential energy conservation opportunities.

1.2 Sources of Information

The updated Housing Element is based on information primarily from the 1990 Census as well as the most current and applicable data from the State Department of Finance, the Stanislaus Area Association of Governments, and the City of Modesto Planning and Community Development Department.

In addition, several local community agencies and organizations provided further information for this update. These references are listed in the appendix.

1.3 City of Modesto Setting

The Modesto urban area lies in the Central Valley of California between the Coastal and Sierra Nevada mountain ranges. Located on the banks of the Tuolumne River, Modesto is accessible by the Santa Fe, Southern Pacific, and Union Pacific Railroads, and State Highways 99, 132, 108 and 219. Interstate 5 is 20 miles west of Modesto, and is linked to Modesto via Highway 132.

2.0 Population Characteristics and Trends

As of October 1, 1991 the City of Modesto is currently the 17th largest city in the State of California with a population 172,444. The City encompasses 30.46 square miles and contains 63,795 housing units. The City of Modesto has maintained an average four percent growth rate since its incorporation in 1884.

2.1 Population Growth

Historically, the population of the City of Modesto has increased steadily. From 1950 to 1990, the City's rate of population growth exceeded that of both Stanislaus County and the State of California. From 1980 to 1990, the City of Modesto grew by 55 percent, whereas the County grew by 39 percent. The following exhibits reflect the significant amount of growth that has occurred in the City of Modesto and within Stanislaus County.

EXHIBIT 2-A
Population Growth 1980-1990

	1980	1990	% of growth
City of Modesto	106,602	164,730	55%
Stanislaus County	265,900	370,522	39%
California	24,900,000	29,760,021	16%

Source: 1980 and 1990 Census

EXHIBIT 2-B
Population Trends 1940-1990

Year	City of Modesto	Modesto Urban Area*	Stanislaus County
1940	16,379	29,000	74,866
1950	17,319	50,000	127,231
1960	36,585	73,200	157,294
1970	61,712	96,600	194,506
1980	106,602	138,397	265,902
1990	164,730	185,175	370,522

Source: 1940-1990 Census, Department of Finance, 1990. *Population for Modesto Urban Area is estimated using housing unit figures from the Modesto Land Use file and applying Modesto's vacancy rate and persons per household figures.

Population trends for the City of Modesto and the surrounding communities indicate that the Central Valley will continue to experience growth. Exhibit 2-C shows the population trends for the Modesto and the surrounding areas.

EXHIBIT 2-C
Population Trends
City of Modesto and Surrounding Communities
1980-1990

Jurisdiction	1980	1990	% Change
Modesto	106,602	164,730	55%
Ceres	13,281	26,314	98%
Denair*	2,892	3,693	28%
Hughson	2,943	3,259	11%
Keyes*	2,486	2,878	16%
Newman	2,785	4,151	49%
Oakdale	8,474	11,961	41%
Patterson	3,908	8,626	121%
Riverbank	5,695	8,547	50%
Salida*	2,033	4,499	121%
Turlock	26,287	42,198	61%
Waterford	2,683	4,771	78%
Unincorporated**	85,831	84,895	-1%
Total County	265,900	370,522	39%

* Unincorporated Communities

** Excludes Denair, Keyes, and Salida

Source: 1980 & 1990 Census, SAAG

Recent data from the Department of Finance and City Planning studies suggest that the City of Modesto's population will continue to grow. With the recent downturn in the economy, it is expected that the overall growth rate of Modesto, as well as the County, will not be as high as recent years.

EXHIBIT 2-D

Population Projections, 1990-2005

Year	<u>City of Modesto (a)</u>		<u>Stanislaus County (b)</u>		<u>State of California (b)</u>	
	Population	Rate	Population	Rate	Population	Rate
1990	164,730	-	370,522	-	29,760,021	-
1995	207,707	4.75%	445,700	3.76%	33,373,000	2.32%
2000	244,850	3.35%	502,300	2.42%	36,259,000	1.67%
2005	284,064	3.02%	558,200	2.13%	38,980,000	1.46%

(a) Modesto Planning Department, September 1991

(b) California Department of Finance, April 1991

2.2 Age Groups

Census figures indicate that between 1980 and 1990, the City's age distribution has remained fairly constant. This distribution reflects that there is and will continue to be, a big demand for starter homes for the population in the 21 to 44 age category. Adults (ages 18 to 64) make up the largest category.

EXHIBIT 2-E Population Distribution by Age Category, 1980-1990

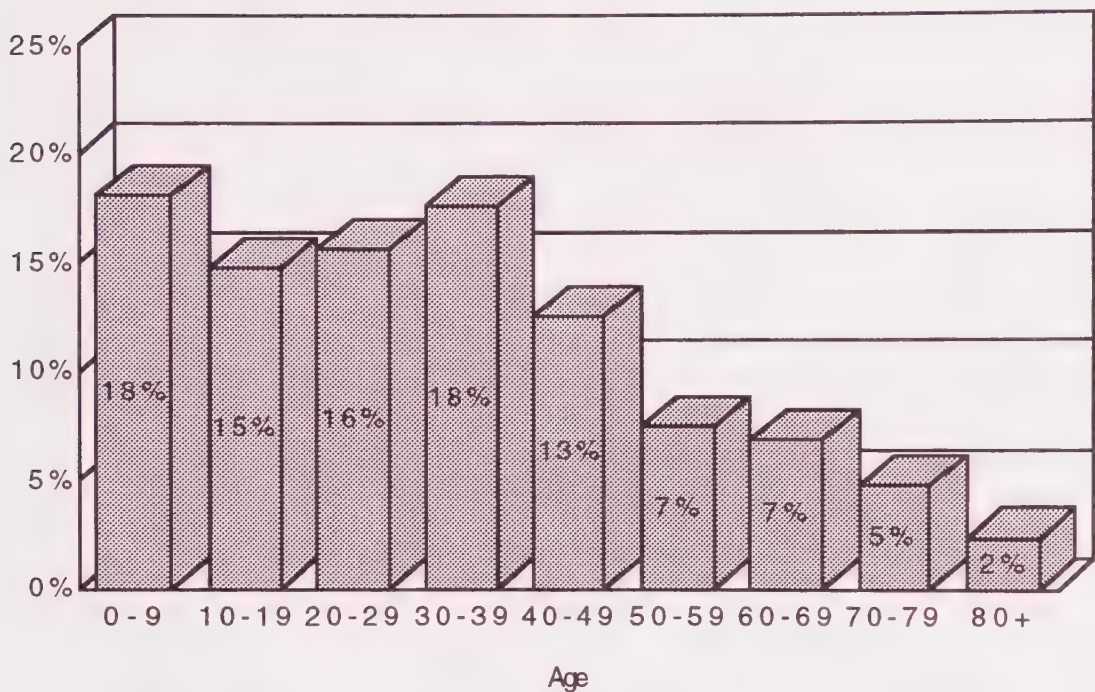
<u>Age Category</u>	Number	%
Year		
<u>Youth (under 18)</u>		
1980	31,426	29.5%
1990	49,693	30.1%
<u>Adult (18 to 64)</u>		
1980	64,846	60.8%
1990	97,769	59.4%
<u>Elderly (65+)</u>		
1980	10,330	9.7%
1990	17,268	10.5%

Source: 1980 and 1990 Census

The following exhibit reflects that the two largest age groups are the 0 to 9 year olds and the 30 to 39 year olds.

EXHIBIT 2-F

Age Distribution



Source: 1990 Census

2.3 Racial and Ethnic Distribution

The 1990 Census data indicates that the City of Modesto has a wealth of ethnic and racial diversity in its population. Population of ethnic groups by number and percent are as follows:

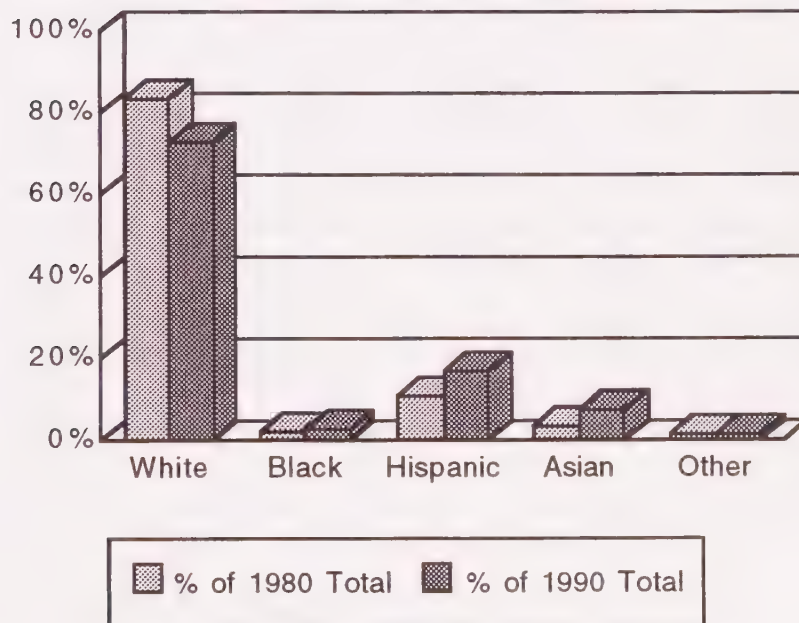
<u>Ethnic Group</u>	<u>Number</u>	<u>% of Population</u>
American Indian	1,416	0.86
Asian	12,384	7.52
Black	4,234	2.57
Hispanic	26,920	16.3
White	119,529	72.6
Other	247	0.15
TOTAL	164,730	100%

Since 1980, the number of minority residents has increased more than the number of whites. While the white population increased 34 percent from 1980 to 1990, the proportion of whites has decreased from 83 percent to 72.6 percent.

EXHIBIT 2-G
City of Modesto

Population Ethnicity, 1980 and 1990

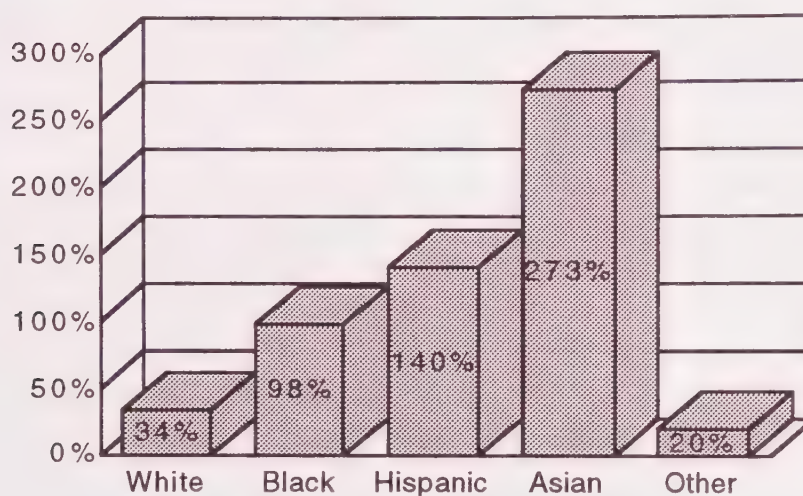
Source: 1980 and 1990 Census



The fastest growing minority population is the Asian/Pacific Islander, mainly from the influx of South East Asian Refugees. Further evaluation reveals that over the past ten years, the Hispanic population increased by 140 percent, and the Black population grew by 98 percent.

EXHIBIT 2-H

INCREASE IN ETHNIC GROUPS 1980 - 1990



Source: 1980 and 1990 Census

2.4 Population Groups with Special Housing Needs

Groups with special needs have a more difficult time finding decent, affordable housing due to special circumstances. Government Code Section 65583 states that the Housing Element must contain a summary of the community's special housing needs. The needs of the elderly; the handicapped and disabled; low-income and minority households (including farmworkers, large families, South East Asian Refugees and female headed households); and the homeless are described in this section.

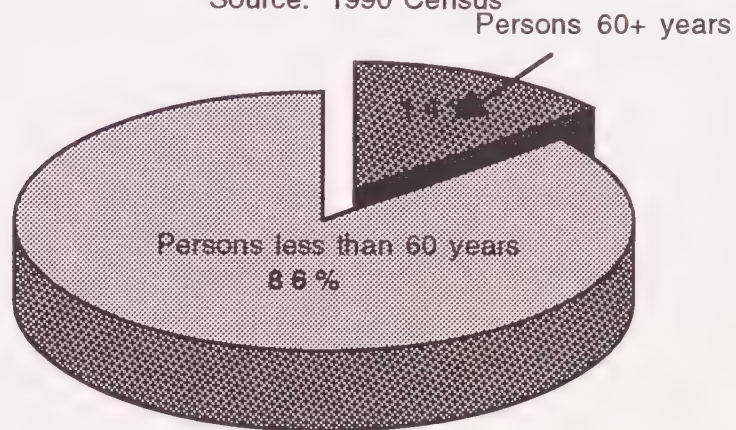
Elderly Persons (Senior Citizens)

Data from the 1990 census indicates that there are 22,915 persons in the City of Modesto who are 60 years of age and older.

EXHIBIT 2-I

Percentage of Seniors 60 Years and Older

Source: 1990 Census



Persons 50 years of age are not technically senior citizens, but within the next five years, at age 55 they will be eligible for a limited amount of senior citizens services, such as employment services. Persons 60 years of age or older are eligible for many services such as the Gold Card, which can be used for identification, and business and dining discounts.

The following exhibit reflects the breakdown of senior citizens by age and ethnic group.

**EXHIBIT 2-J
Senior Citizens Population
by Age Category**

	50 years+	55 years+	60 years+	75 years+
Asian/P. Islander	1,401	978	662	137
Black	639	489	362	90
Hispanic	2905	2181	1541	326
Native American	268	193	139	34
White	31,687	26,117	21,185	6,813
Other	1,221	871	567	118
TOTAL	35,216	28,648	22,915	7,192

Source: 1990 Census

A. Special Housing Needs of the Elderly

Elderly households have special housing needs, such as the need for affordable units; housing that is physically accessible; as well as near shopping and transportation services. Typically, many senior citizens are on fixed incomes and may need assistance if their rents and/or the cost of their utilities rise.

In addition to the need for more affordable housing, the elderly often require handrails, ramps, lower counters, etc., to allow for greater access and mobility. Also helpful are fixtures that are easy to reach and maintain. In most cases, the elderly prefer to reside in their own homes rather than relocate, thus the need for home repair assistance. For senior citizens who qualify, both the City of Modesto and Stanislaus County Department of Social Services offer home repair programs, which include home repair, and/or weatherization.

Rental Opportunities for Seniors

There are many types of rental housing opportunities available for senior citizens in the City of Modesto, such as market rate rental units; subsidized rental units; congregate living facilities; residential care facilities; second units/accessory units ("Granny Flats"); shared housing and senior mobile home parks. According to the 1990 Census, 19 percent of the total renters in Modesto were aged 55 and over.

• **Market Rate Apartments**

As of July 1991, the average studio apartment rents for \$375 per month in Modesto, while standard one-bedroom apartments rent for \$435 per month. The Salvation Army Senior Resources and Referral Service provides a list of senior housing that is located in the City of Modesto. The following exhibit indicates the name of the complexes, size of units, and the average month rent.

**EXHIBIT 2-K
City of Modesto
Senior Housing Referral List**

Name and Location	Bedroom Size	Monthly Rents
Amber Lights Apartments 2124 Wylie Road	1 bedroom	\$375
Continental Townhouses 1000 Brighton Avenue	2 bedroom	\$410 to \$430
Del Nido Apartments 2100 Wylie Drive	Studio	\$325
Greenbrier Apartments 2200 Coffee Road	1 bedroom	\$450 to \$470
Houser Glen 1225 Houser	1 bedroom	\$460
Imperial Apartments 1625 Scenic Drive	Studio 1 bedroom	\$370 \$410-\$425
Jennings Apartments 1215 "G" Street	Studio 1 bedroom	\$275 \$300
La Loma Senior Complex 1220 La Loma Avenue	1 bedroom	\$395
Lamplighter Apartments 1411 Carver Road	1 bedroom 2 bedroom	\$365 \$425
Rose Garden Apartments 140 Mark Randy Road	1 bedroom 2 bedroom	\$410 \$475
Spartan Manor 312 E. Orangeburg Avenue	1 bedroom	\$425
Stardust Villa Apartments 1712 Carver Road	1 bedroom	\$440 to \$460
Woodside Apartments 2521 Miller Avenue	1 bedroom 2 bedroom	\$395 \$425

Source: Salvation Army Senior Services, 1991.

• **Subsidized Apartments**

There are subsidized rental units in Modesto, if a senior household cannot afford to pay market rent; however, demand for these units is extremely high. According to data from the Stanislaus County Housing Authority, there are 245 senior citizens on their waiting list for subsidized housing assistance, constituting a waiting list of up to two years. This assistance is provided in the form of Section 8 vouchers or certificates, which covers a portion of their monthly rent. In addition to specific Section 8 subsidy assistance, there are housing developments that are subsidized and have affordable rents. Listed below are the subsidized units that are located in the City of Modesto.

EXHIBIT 2-L
City of Modesto
Existing Residential Housing for Seniors
(Assisted Rentals*)

<u>Name and Location</u>	<u>Number of Units</u>
Colonial Farms Apartments 3136 Pelandale Avenue	100
El Casa Verde 1513 Robertson Road	142
Parkview Christian Estates 3112 Napier Drive	99
Ralston Towers 900 17th Street	180
Neighborhood Manor 1200 Woodrow	104
Vinewood Apartments 2600 Standiford Avenue	75
Marple Manor 530 Coffee Road	145
Yosemite Garden Apartments 2809 Yosemite Avenue	217

Source: Stanislaus County Housing Authority, July 1990

*Section 8 rent subsidy

- **Retirement Communities**

Retirement communities are self-contained housing developments or complexes designed for, and marketed to, senior citizens. Developments such as these generally provided minimal services such as recreational facilities, social activities, and security. Additional services, such as laundry, housekeeping, and personal care are sometimes offered for an additional fee.

Modesto has several such retirement communities such as: Celeste Villa Retirement Center, located at 1316 Celeste Drive; Bethel Retirement Community, located at 2345 Scenic Drive and Casa De Modesto Retirement Center located at 1745 Eldena Way. Some retirement communities offer both independent living apartments as well as assisted living units. Retirement communities vary in form, high-rise apartments to townhouses. In some cases, units in retirement communities can be bought or rented.

- **Residential Care Facilities**

In addition to the "traditional" rental units, there are also residential care facilities available to seniors within the City of Modesto. These facilities tend to have group living quarters with staff-supervised meals, housekeeping and personal care. Orangeburg Manor, located at 1248 Nelson Avenue, is one such facility in Modesto.

- **Congregate Care Facilities**

Congregate care facilities represent a broad range of living arrangements designed to integrate the housing and service needs of different groups of senior citizens. Typically, residents have their own apartments and share at least one meal in a central dining room. Additionally, there may be other services available such as transportation to shopping areas.

- **Second Units or Accessory Units**

Second units are another housing option for seniors. An accessory unit or apartment typically has one or more rooms with a separate kitchen and bathroom. They are usually added to an existing single-family house. Traditionally, accessory units were called "granny flats" and were originally designed to provide housing for grandparents. The City of Modesto allows second units on all single-family lots if three off-street parking spaces can be provided to serve the resulting two units.

Owner-Occupied Housing for Seniors

According to the 1990 Census, 37 percent of the total owner-occupied housing in Modesto belonged to persons 55 years of age and older. The majority of owners live in single family residences, but Modesto does have several senior mobile home parks.

- **Single-Family Residences**

Many seniors who occupy single-family dwellings have owned their own home for many years.

- **Mobile Homes**

Mobile homes represent an important housing resource for seniors. As of October 1, 1991, there were 2,248 mobile homes in Modesto, the vast majority of them are located in the City's nine mobile home parks. Although a senior may own their own mobile home, they still have to pay for the space, if they choose to reside at a mobile home park. Average monthly mobile home space rent in Modesto is \$313.

B. Services for Senior Citizens

Area Agency on Aging

Area Agencies on Aging are part of the "aging network," which includes the Administration on Aging at the federal level, state units on aging, area agencies on aging at the local level, and other public and private agencies serving the needs of older persons. The local agency is the Stanislaus County Area Agency on Aging, located at 948 11th Street, Modesto.

The role of the Area Agency on Aging is to plan, coordinate, and advocate for the needs of older persons in a specific geographical area. Finding ways to address the needs of the over 53,000 seniors aged 60 years of age and over in Stanislaus County, is the responsibility of the Area Agency on Aging. 22,915 of these seniors reside in Modesto.

Salvation Army's Senior Information and Referral Program

The Senior Information and Referral Program (Senior Services) located at 625 "I" Street, Modesto, provides a wealth of services and information to senior citizens in Modesto and Stanislaus County. Seniors receive help with renter/home owner assistance claims, health insurance counseling, income tax, financial forms and other documents. In 1990, more than 4,000 seniors were provided with information through this service.

As of October 1991, Senior Services has paid overdue utility bills of \$9,576 to avoid service shut-off to seniors. Also, seniors received help with rental payments, totaling year-to-date \$8,385 to help avoid eviction.

Sally's Place, also located at 625 "I" Street, is a meeting place for seniors 60 years of age and over. It is open Monday through Friday mornings and offers a free "coffee bar" and pastries. Current magazines, books, as well as publications with information for seniors are available.

Stanislaus County Ombudsman Program

The Stanislaus County Ombudsman Program refers callers to a number of long-term care facilities, as well as handles any problems relating to senior health care and facilities.

FUTURE HOUSING NEEDS OF SENIOR HOUSEHOLDS

AFFORDABLE HOUSING

The most important need in terms of housing for seniors is the need for more affordable housing. According to Lynda Griswold, Director of the Stanislaus County Area Agency on Aging, affordable housing is a top priority for future program planning.

Disabled/Handicapped Persons

The definition of handicapped or disabled persons may vary in definition. The definition of a "handicapped" or "disabled" person as contained in Section 22511.5 of the California Administrative Code for vehicle and building code enforcement is as follows:

1. Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistance device.
2. Any person who is blind to such an extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle greater than 20 degrees.
3. Any person who suffers from lung disease to such an extent that his or her forced (respiratory) expiratory volume when measured for one second by spirometry is less than one liter or his/her arterial oxygen tension (pO₂) is less than 60 mm/Hg on room air at rest.
4. Any person who is impaired by cardiovascular disease to the extent that his/her functional limitations are classified in severity as Class III or Class IV according to standards accepted by the American Heart Association.

Estimated Number of Disabled/Handicapped

The 1990 Census data on the number of handicapped or disabled persons in Modesto is unavailable at this time. However, the State of California, Department of Rehabilitation tracks data regarding the number of persons (ages 16 to 64) with disabilities in Stanislaus County and California. Their most recent data is from a Statewide survey dated April 1982, which contains estimates of persons with disabilities by type. They are currently updating their data and the results will be available in early 1992. Until that information is available, the Department recommends that communities adjust the 1982 survey figures by two percent annually to estimate the current number of persons with disabilities. In order to establish the most accurate data, the City has chosen an annual growth rate of 3.4 percent for the City of Modesto, and Stanislaus County. Stanislaus County was one of the fastest growing areas and outgrew the State average growth rate for 1980-1990.

The following exhibit is a 1991 estimate of persons ages 16 to 64 who have some type of disability within the City of Modesto, the County and State of California.

EXHIBIT 2-M
Persons with Disabilities (Ages 16 to 64)
City of Modesto, Stanislaus County and State of California

Type of Disability	City of Modesto	Stanislaus County	State of California
Blind*	143	324	16,265
Deaf*	71	162	13,983
Other Sensory*	315	716	47,481
Cardiovascular*	2,134	4,850	316,126
Respiratory*	820	1,865	130,743
Digestive*	351	797	65,694
Mental Retardation	636	1,446	94,639
Alcohol/Drug	678	1,540	96,922
Emotional Problems	737	1,675	135,942
Muscular/Skeletal*	5,814	13,214	808,839
Neurological*	856	1,946	128,138
Other Conditions	1,034	2,351	184,403
TOTAL	13,590	30,886	2,039,174

* Indicates physical disabilities.

Source: City of Modesto Advanced Planning Division, December 1991. (Data derived from the State Dept. of Rehabilitation survey, April 1982; and by using growth rates from the 1990 Modesto Statistical Summary. Additionally, the City of Modesto made up 44 percent of the County's total population in 1990.)

Households with a member who has a mental disability include those whose disability is psychiatric and those with organic illness -- such as organic brain disorders resulting from Alzheimers disease or AIDS-related infections. The 1990 Census provides the number of individuals who are institutionalized with psychiatric disabilities. The following exhibit reflects the number of individuals that are institutionalized within the City of Modesto:

EXHIBIT 2-N
Persons Residing in Group Quarters (Institutionalized)

<u>Type of Institution</u>	<u>Number</u>
Correctional Institutions	727
Nursing Homes	1,265
Mental (Psychiatric) Hospitals	241
Juvenile Institutions	117
Other Institutions	79
TOTAL	2,429

Source: 1990 Census

Further research indicates that there are persons who have a handicap that either restrict them using public transportation or restrict them from working. A comparison of persons with either a work or transportation disability from 1980 to 1991 is shown below.

Exhibit 2-O
Persons With Work or Transportation Disability
City of Modesto, 1980 to 1991

	<u>1980</u>	<u>1991</u>
<u>With Work Disability</u>		
In Labor Force	2,507	3,859
Not In Labor Force	3,370	5,188
<u>Public Transportation Disability</u>		
Age 16 to 64	992	1,527
Age 65+	1,460	2,248

Source: 1980 Census; 1991 Projections City of Modesto Advanced Planning Division, Dec. 1991.

Housing Needs

Physical handicaps can hinder access to housing units of normal design, as well as limit the ability to earn adequate income. Housing units that are designed to permit free access is very important to persons wanting to maintain their independence and dignity. Title 24 of California Administrative Code requires that all public buildings, including hotels, motels and multi-family residences, provide structural standards which permit wheelchair access. Additionally, the Fair Housing Act of 1988, requires that owner/landlords of rental housing permit reasonable modifications to be made to the unit to improve handicapped accessibility, at the expense of the tenant.

Handicapped persons desire housing that is affordable and "accessible", as well as near public facilities and public transportation that provide services to the handicapped. Affordable single-level units, ground floor units and/or units that incorporate design features such as widened doorways, access ramps, and lowered countertops, are all ways in which housing can become more accessible to a handicapped person. Accessible rental units available in Modesto are listed below:

**EXHIBIT 2-P
Handicapped Accessible Apartment Units**

<u>Complex Name</u>	<u># of Handicapped Accessible Units</u>	<u>Total Units in Apartment Complex</u>
Green Briar	3	124
Oakbrook	1	120
Villa Celeste	115	115
Yosemite Gardens	4	217
Cedar Creek Village	68	138
The Marina	60	144
Vinewood	8	75
Marple Manor	12	146
Oakmore Gardens	1	16
Casa De Paz	4	67
Meadow Lake	2	196
Westdale Commons	2	216
Valley Oak	3	208
Shadowbrook	3	296
Park Lakewood	2	116
Stonebridge	4	350
Meadow Lakes	2	196
La Loma Apartments	6	45
Santa Paulo	30	30
Northwood Place	53	53
Willow Tree	1	26
Woodglen Terrace	7	36
Standiford Square	2	140
Century Villa	1	37
Carmel Woods	2	124
TOTAL	396	3231

Source: City of Modesto Planning Department, July 1991.

Agencies that Provide Services to the Handicapped/Disabled

Modesto Independent Living Center (MILC), 1207 13th Street, Suite 2, Modesto. MILC is a non-profit public corporation dedicated to helping people with disabilities to maintain more self-sufficient and productive lives. The center serves the counties of Stanislaus, San Joaquin, Alpine, Calaveras, and Tuolumne. The staff at MILC provides housing information and referral to its clients, as well as works with local governmental agencies, housing management companies, landlords and non-profit housing providers.

The Rehabilitation Hospital of Modesto, (scheduled to open August 1992), is a proposed regional rehabilitation center to serve disabled patients throughout the Northern San Joaquin Valley. The 100-bed Rehabilitation Hospital, to be located at corner of 17th and H Streets, in downtown Modesto, will concentrate on physical rehabilitation of people with moderate to severe disabilities. The hospital expects to provide comprehensive services to patients with head injuries, spinal cord injuries, stroke victims, orthopedic injuries, work-related injuries and amputees. There are about 100 other similar rehabilitation hospitals in the United States.

Valley Mountain Regional Center (VMRC), located 1620 Cummins Drive, Modesto. VMRC is a state agency that serves over 4,750 disabled children and adults in Stanislaus, Calaveras, Amador, San Joaquin and Tuolumne Counties. The center, one of 21 in the state serves as a "clearinghouse" to the disabled client and the service providers of the disabled. Most notably, VMRC provides placement and follow-up services to developmentally disabled in licensed community care facilities.

Society for Handicapped Children and Adults of Stanislaus County, located at 1122 Stoddard Avenue, Modesto. The Society, founded in 1953 is an independent, locally supported organization that provides "services and programs to enhance the quality of life for individuals of all ages and all handicaps who reside in Stanislaus County. They offer an information and referral service as well as publish a monthly newsletter "UPCLOSE", which deals with such issues as building access, transportation access, along with other activities and events of concern to the handicapped.

Association for Retarded Citizens (ARC) of Stanislaus County, located at 1424 Stonum Road, Modesto. ARC, a not-for-profit organization, serves 325 adults from 18 to 75 years of age that are developmentally disabled within Stanislaus County. ARC offers several programs such as the Howard Training Center Vocational Program, which is designed for clients who have mastered self help skills and have the desire to work. Clients receive specialized training and are taught the needed skills that are consistent with a regular work environment.

FUTURE HOUSING NEEDS OF DISABLED HOUSEHOLDS

The most important need in terms of housing for the disabled is the availability of **affordable and accessible housing**. The Housing Element sets forth policies and programs to implement state standards for the provision of handicapped accessible units in new multi-family developments, as well as encourage that the developments be located in close proximity to public transportation and services.

Low-Income and Minority Groups

There are many low-income families, many of which are minorities, who have a full-time worker and yet they remain poor. Many have little or no savings, pay high home/rental costs, face eviction and financial ruin if any wage earning member loses his or her job. High rents mean that many low-income households are squeezing out other necessities such as: food supplies before the end of the month and clothing for their children. Thus, these families run a greater risk of homelessness.

The majority of housing available for most low-income households is rental housing. The Stanislaus County Housing Authority provides 621 low rent housing units throughout Stanislaus County, with 402 general housing units and 91 farmworker units within the Modesto Urban Area. There are 2,154 existing Section 8 units in the City of Modesto. The Housing Authority currently has a waiting list of 1,837 families, indicating the high need for rental assistance in Modesto and Stanislaus County, 244 of whom are farmworkers.

According to data from the 1988-1991 Housing Assistance Plan, there is an estimated rental assistance need for 3,477 very-low-income families (under 50 percent of the median area income), and 3,109 low-income families (50 to 80 percent of the median area income).

Farmworkers

Farmworkers are defined as regular and seasonal hired domestic workers. Since farmworkers receive low wages, they are often in the very-low income category and their employment status is tenuous, and they are often unable to compete for housing in the open market. Additionally, studies have shown that large farmworker families live in substandard housing, tend to overpay for the housing they live in, and live in overcrowded housing units and labor camps.

There are 91 farmworker units, in the Modesto Urban Area, which are maintained and operated by the Stanislaus County Housing Authority. According to the 1990 Regional Housing Needs Report, developed by the Stanislaus County Area Association of Governments, a total construction need of 244 units are needed for farmworkers within Modesto from 1990-1997. This report states that the provision of "farmworker housing units is the responsibility of the Stanislaus County Housing Authority." And, "Local agencies will assist the Housing Authority in meeting the farmworker housing need."

Large Families

According to the 1990 Census, there are 7,671 large-family households (five or more related persons) within the City of Modesto. Of that total, 4,133 families live in owner occupied housing and 3,538 families live in renter occupied housing. Because of high rent costs, many of the lower-income households with large families are forced to live in housing units that are too small for their family size. Many times, several families occupy one small unit, and live in housing units that are substandard.

Information provided by the Stanislaus County Housing Authority, indicates that there are a total of four family complexes within the City of Modesto that have Section 8 Assisted Rentals. **However, all of the complexes listed below have waiting lists from one year to six years.**

EXHIBIT 2-Q
Existing Assisted Rental Housing For Families

Apartment Name and Location	Number of Units
Cameron Villa 160 Mark Randy Place Modesto	68 Units
El Casa Verde 1513 Robertson Road Modesto	142 Units
Colonial Farms Apartments 3136 Pelandale Avenue Modesto	100 Units
Yosemite Garden Apartments 2809 Yosemite Road Modesto	217 Units

Source: Stanislaus County Housing Authority, July 1990.

The 1988-1991 Housing Assistance Plan indicates that 782 large families currently need rental housing assistance. 518 are in the low-income category and 264 are in the very-low-income category.

The following exhibit reflects the breakdown of lower income households with large families who need rental assistance by ethnic group.

EXHIBIT 2-R
Housing Assistance Needs of Lower Income* Families
(Five or More Persons) By Ethnic Group

Ethnic Group	# of Families
Asian	29
Black	22
Hispanic	153
Native American	5
White	573
TOTAL	782

Source: 1988-1991 Housing Assistance Plan
*0 to 80% of the area median income.

Southeast Asian Refugees

Since the early 1980's, there has been a significant increase in the number of Southeast Asian refugees locating to the City of Modesto and Stanislaus County. Many locate to Modesto and Stanislaus County for many reasons, such as the existing population of the same culture residing here; the cost of housing tends to be lower than other areas; the refugees tend to be rural people who come here for agricultural jobs; and a familiar climate.

Southeast Asian refugees encompass four groups: Cambodian, Chinese, Laotians and the Vietnamese. According to the 1990 Census, there were the following number of Southeast Asians within the City of Modesto:

EXHIBIT 2-S
Southeast Asian Population, 1990

<u>S.E. Asian Group</u>	<u># of Refugees</u>
Vietnamese	1,081
Chinese	1,060
Cambodian	3,132
Laotian	1,853
TOTAL	7,126

Source: 1990 Census

There have been some disputes by local Southeast Asian community leaders on the number of refugees. They feel that the Census did not provide an accurate count. The following reflects the number of refugees in Stanislaus County for the years 1980, 1988, and 1989, provided by a report by the Demographic Research Unit, State Department of Finance, January 1991.

EXHIBIT 2-T
Southeast Asian Refugees in Stanislaus County: 1980, 1988, 1989

	Total # of Refugees (as of October 1 of each year)		
	1980	1988	1989
Stanislaus County	882	9,834	10,078

Source: State of California Department of Finance, Report SR 89-1, Table 1, January 1991.

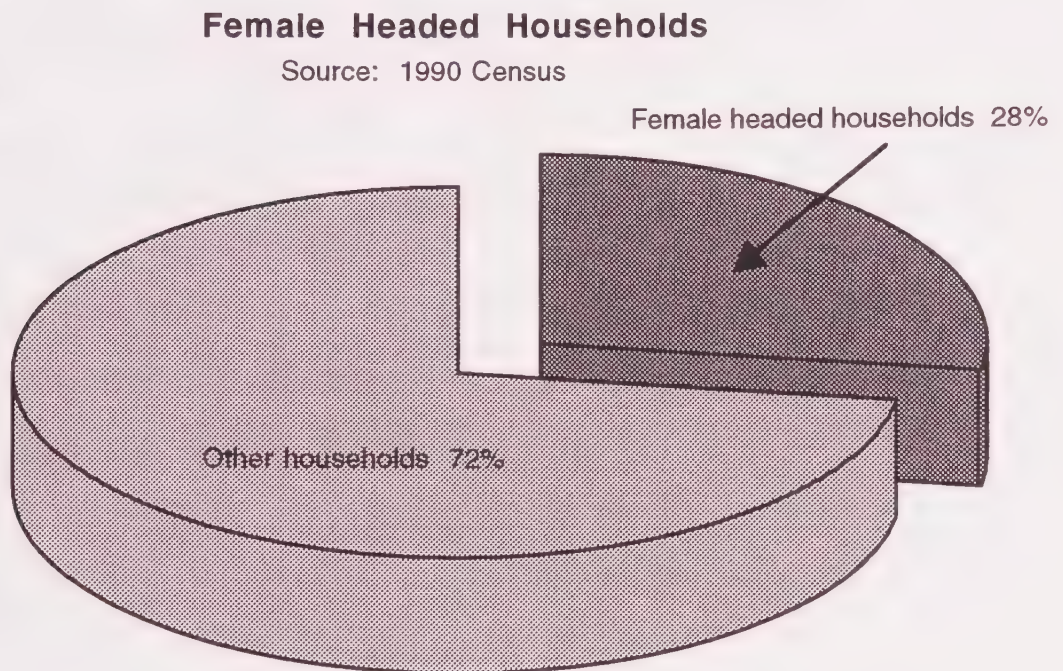
Areas in Modesto with a high concentration of refugee families include Paradise Village, Prescott Estates, areas near Garden Avenue, Roselawn Avenue, Highway Village Neighborhood, and North Riverside Drive. These areas are distinguishable by stores bearing Cambodian or Vietnamese signage. Many of the refugees face rent increases in housing that can be considered substandard. Eighty to ninety percent of Southeast Asian refugee families received some type of federal financial assistance for housing, food, and other essentials. Because many refugees are on public assistance, and chose to live here, there is an even greater need for more affordable housing.

The Stanislaus County Housing Authority offers programs such as an acculturation program to teach refugees how to run a home, as well as a self sufficiency program to help them out of public housing and on their own.

Female-headed Households with Children

Female-headed households tend to have low incomes, thus limiting housing availability. In 1990, there were 15,987 female-headed households in Modesto. As shown by the figure below, this group represents 28 percent of the households in Modesto, many of which have children under the age of 18.

EXHIBIT 2-U



Families with female heads of households also tend to have a high incidence of poverty, which constitutes a serious need for affordable housing. In addition to the need for more affordable housing, female-headed households are in need of affordable local childcare facilities and services.

A. Agencies Offering Housing Assistance to Low-Income and Minority Households

Salvation Army, Social Services Program

Under this program, renters assistance, energy bill assistance, as well as housing information and referral are provided to low-income families. Also, families facing eviction are given a first month's rent allowance and are assisted in finding permanent housing.

Stanislaus County Housing Authority

The Stanislaus County Housing Authority is located at 1701 Robertson Road, Modesto. The Housing Authority develops and operates subsidized housing facilities in Stanislaus County (with the exception of Riverbank, which has its own Housing Authority) for very-low and low-income families, including the elderly, handicapped and disabled families. The Authority also offers counseling for rent delinquency and mortgage delinquency at no charge, under license from the Housing and Urban Development Agency.

The Housing Authority processes applications for the Section 8 Housing Assistance Program. The following is a breakdown of Section 8 vouchers issued and projections of the number of future vouchers to be issued:

1984-1989	312 vouchers issued
1990-1991	236 vouchers issued
1992-1997	250 vouchers (@ 50 per year)

In May 1991, the Housing Authority received a grant from HUD for \$2.58 million, which will be used to acquire 30 three-bedroom rental units at locations scattered throughout the City of Modesto. The Housing Authority will retain ownership of the units which will be used to house 30 low-income families.

Persons Requiring Temporary Shelter (Homeless)

A. Emergency and Transitional Shelter Needs

The housing needs of those seeking emergency shelter and/or transitional shelter have dramatically increased in the last ten years. The fastest growing population in need of shelter are families with children. The reason for this increase can be attributed to rising unemployment and the decline in affordable housing. A large percentage of mentally ill persons are homeless due to the relaxing of guidelines for

state mental health care institutions. Others in need are homeless persons with drug and alcohol problems, battered women and children, teenage runaways, and evicted tenants.

According to 1990 Census data, for the City of Modesto, there were 210 people in emergency shelters for the homeless and 38 persons visible in street location¹. For Stanislaus County, the 1990 Census indicated that 399 persons were in emergency shelters and 44 persons visible in street locations. As shown by the exhibit below, 55 percent of the County's homeless are located in the City of Modesto.

EXHIBIT 2-V
1990 Homeless Population
City of Modesto and Stanislaus County

	City of Modesto	Stanislaus County
# of Homeless in Emergency Shelters	210	399
# of Homeless Identified on the Street	38	44
TOTAL	248	443

Source: 1990 Census

Agencies Providing Temporary Shelter

The following programs offer cash or vouchers to homeless individuals and families for securing temporary shelter:

Community Temporary Shelter Service Coalition

Since 1981, the Community Temporary Shelter Service Coalition (CTSSC) has provided services for those seeking shelter. CTSSC provides temporary shelter to those with immediate need. CTSSC assists families with dependent children and the mentally ill homeless. Stay is temporary, in motels or

¹ The numbers do not reflect the persons and or families that are "homeless" but live in temporary shelters, such as those that are sheltered in the Modesto Inn, a local motel. According to information from the City of Modesto Police Department, there are approximately 100 persons and or families that are identified as "homeless", but live in temporary shelter, thus, they were not counted by the Census Bureau.

shelters until more permanent shelter can be found. CTSSC contracts with the Stanislaus County Department of Social Services to find temporary shelter for the AFDC Homeless Assistance Program. In addition, CTSSC also provides rent assistance and mortgage payments through funding from California's Emergency Shelter Programs

CTSSC receives block grant funding to find shelter for the Mentally Ill Homeless Program. The Program is administered by the Stanislaus County Mental Health Department. The Program provides shelter for stays of three to seven days, based on need, and then many individuals are placed in board and care facilities. For the FY 90/91, this program provided 460 shelter nights with some stays up to seven nights.

In cooperation with HUD and the City of Modesto's Housing Program Office, CTSSC is participating in providing single-family residences for homeless families seeking permanent housing. The City of Modesto is leasing three houses from HUD for \$1.00 per year. CTSSC assists with the selection of the families. A modest rent is collected to cover the operating costs (such as taxes, utilities, and maintenance) of the houses.

AFDC Homeless Assistance Program (HAP)

This program provides temporary shelter for families who qualify for Aid to Families with Dependent Children and is administered by the Stanislaus County Department of Social Services. Benefits are paid for 21 days, with 28 days being the maximum for extenuating circumstances as defined by the Social Services Department.

For the FY 90/91 the AFDC Housing Assistance Program assisted 6,314 persons within Stanislaus County (and the City of Modesto) with temporary housing. Of that total, 5,226 persons were assisted with finding permanent shelter. Eighty percent of the households receiving assistance from this program are single parents with children and disabled parents with children, with an average of 2.8 persons per household. The other twenty percent are comprised of unemployed parents with children, with an average of 4.7 persons per household. Breakdowns of program participants by racial/ethnic group were unavailable.

In addition, the Stanislaus County Department of Social Services along with the Salvation Army, provides a variety of referrals and medical services to the homeless through the Stanislaus Homeless Health project.

Agencies Providing Shelter and/or Services and/or Meals

The following facilities provide shelter and/or meals and services to the homeless population.

The Modesto Men's Gospel Mission and Women's Mission

Men's Gospel Mission, located at 1417 DeHarro Street, provides shelter to 80 single male adults with a limited stay of seven bed nights, seven nights on the floor and three nights out*. The Mission also serves two meals a day Monday through Friday and three meals on weekends and holidays. In 1990, the Mission served 93,700 meals. Meals served have gone up 100 percent since 1984 (during the first nine months of 1984 there were 32,000 meals served and during the first nine months in 1989, there were 65,000 meals served). The majority of men (95%) arriving at the Mission are locals raised in the County and sixty percent are under 36 years of age.

The Women's Mission, located at 1432 Page Court, provides fifteen beds for temporary shelter to house single women and women with children with a maximum stay of fourteen days. Since opening its doors in 1985, the Women's Mission has been filled to capacity.

Both Missions require that those seeking shelter participate in religious activities, (this requirement also exempts the Missions from receiving any federal or state funding assistance.) Thus, the Missions must rely strictly on donations from local churches and the community. In addition to shelter and meals, programs are offered to assist those needing shelter so that they can learn to break the cycle and become functional again. The programs include: a Christian drug and alcohol rehabilitation program; literacy and GED programs; and life skills/job skills classes.

*As of October 1991, the Modesto Gospel Mission is proposing to expand its facilities on DeHarro Street to include up to 200 men, women, and children.

Hutton House

The Hutton House provides temporary shelter for up to six teenagers that may be involved in a family crisis or a conflict situation. Hutton House also provides individual, family, and group counseling to its clients. In 1990, there were a total of 2,000 reported teenage runaways in Stanislaus County. Of that number, 800 were reported to the Modesto Police Department. It is

estimated that the number of reported teenage runaways is only one-third of the actual teenage runaway population.

According to Neil Griffin, counselor at Hutton House, county-wide the number of actual teenagers on the street (both reported and unreported) is estimated to be 6,000 to 7,200. He noted that less than one-third of the parents of teenage runaways file a runaway report to the police or sheriff departments. In 1990, Hutton House had 280 residential clients, with an average length of stay of 7.8 days. Furthermore, in 1990, 226 clients were turned away due to a full house and 126 clients were turned away due to being over or under age.

Sunshine Place

The Sunshine Place, located at 722 I Street, provides a place where people can go inside to wash clothes, shower, and get counseling. Recreational activities are available such as playing a game of pool or watching television. The Sunshine Place is operated by Friends of the Sunshine Place and the Stanislaus County Department of Mental Health. On an average day, approximately 240 persons visit the Sunshine Place. The Sunshine Place is open to persons 18 years of age or older.

The Salvation Army

The Salvation Army, located at 625 I Street, serves lunches to about 200 to 220 people per day. Currently, the Salvation Army is seeing an increase of people needing food and clothing. According to Capt. John Reed, the commanding officer for the Modesto Corps, with the recession, the high unemployment rate and the higher energy bills, they are seeing more people in need than ever before.

3.0 Household Characteristics

The Bureau of the Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Household information provides a good basis for the analysis of housing needs in a community.

3.1 Number of Households

In 1980, there were a total of 39,491 households in the City of Modesto. Data from the 1990 Census indicates that the City has grown to 57,958 households, representing a 47 percent increase during the ten-year period.

EXHIBIT 3-A
Total Households: 1980-1990

	1980	1990	% Increase
City of Modesto	39,491	57,958	47%
Stanislaus County	94,675	125,375	32%
California	8,629,866	10,381,206	20%

Source: 1980 & 1990 Census

Overcrowding

Persons per room is often used as a measure of overcrowding, that is whether there is adequate living space per person. Overcrowded units are defined as those units with more than one person per room (excluding bathrooms).

During the period between 1980 and 1990, overcrowding of housing units in the City of Modesto increased from 3.6% to 8.6%. In 1980, of the total 39,491 housing units, 1,541 housing units were determined to be overcrowded. In 1990, of the 57,958 total housing units, 4,965 housing units were overcrowded.

The following exhibit reflects that the highest percentage of overcrowding occurs in the rental category.

EXHIBIT 3-B
City of Modesto
Overcrowded Households, 1990

	Overcrowded Units	# of Occupied Housing Units	% Overcrowded Units
Renter	3,483	24,077	14.5%
Owner	1,482	33,881	4%
Total	4,965	57,958	8.6%

Source: 1990 Census

3.2 Household Size

Household size is an important indicator identifying sources of population growth as well as overcrowding in individual housing units. A city's average household size will increase over time if there is a trend towards larger families. In communities where the population is aging, the average household size may actually decline.

Average households size in Modesto was 2.73 persons per unit in 1984, and has increased slightly to 2.79 persons per household in 1990. This is reflective of the large number of families with children living in Modesto, and the predominance of single-family dwellings. The increase in larger sized families in the City may result in an increased demand for housing units and apartments with three to four bedrooms, relative to other types of housing.

EXHIBIT 3-C
City of Modesto
Average Household Size
Past and Present: 1970-1990

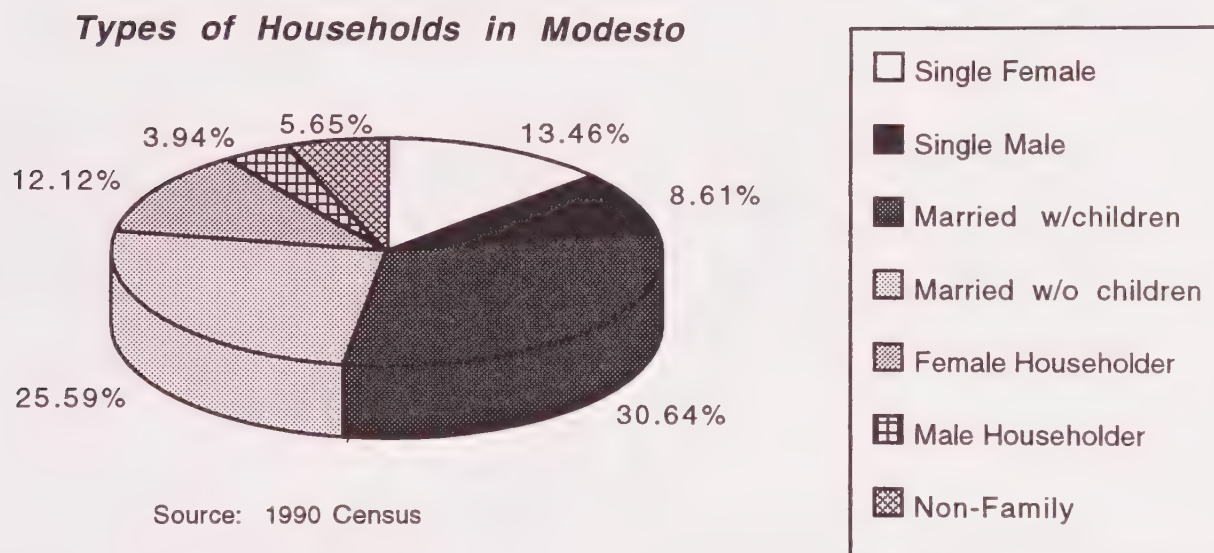
	1970 (a)	1980 (a)	1984 (b)	1990 (a)
City of Modesto	3.0	2.68	2.73	2.79

Source: (a) 1970-1990 Census; (b) City of Modesto Housing Element 1984 edition

3.3 Household Type

According to the 1990 Census, families represent 72 percent of the households in Modesto. Families are defined by the Census as households containing two or more persons related by blood, marriage or adoption. Single-person households comprise approximately 22 percent of Modesto's households. An estimated six percent of the City's households fall within the "Non-family" category, representing individuals who share a housing unit and are not related by blood or marriage. The diagram below shows the types of households in Modesto. Both the female and male householder category include children.

EXHIBIT 3-D



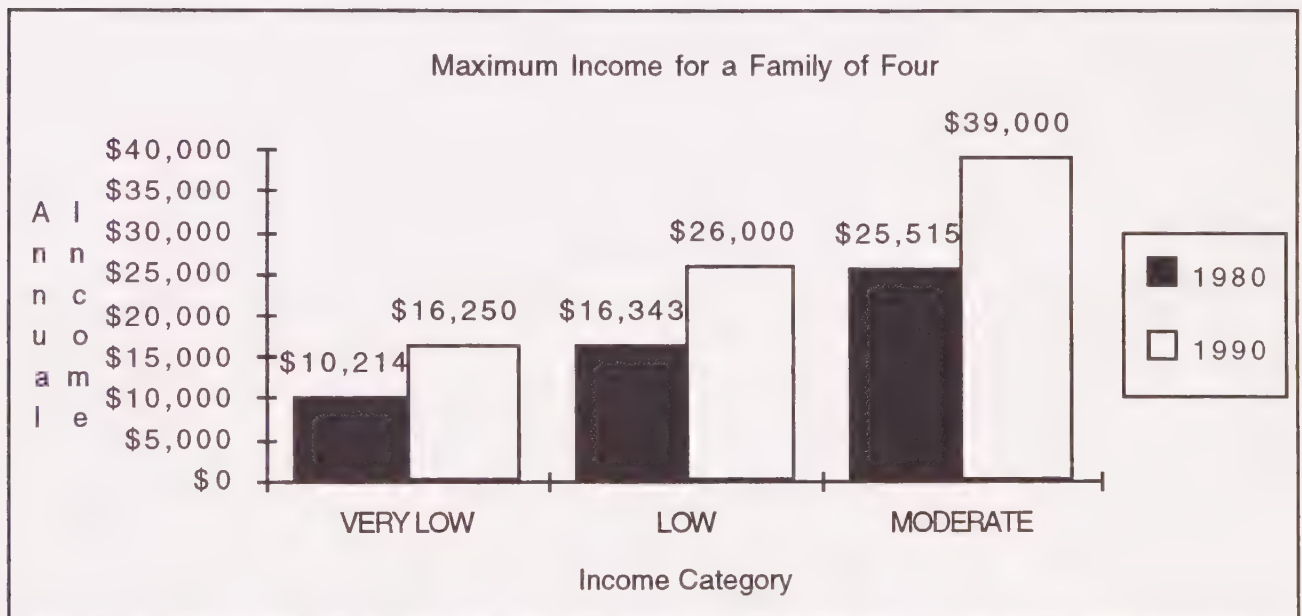
3.4 Household Income

In evaluating housing affordability, households are divided into four income categories relative to the median household income for Stanislaus County. The 1990 median income, as set by the Housing and Urban Development Department (HUD), for Stanislaus County was estimated to be \$32,500 for a family of four. The following illustrates how the four income categories are divided:

Very-Low-Income:	Households who earn 50% or less of the median area income.
Low-Income:	Households who earn between 50% and 80% of the area median income.
Moderate-Income:	Households who earn between 80% and 120% of the area median income. (100% of the area median income for 1990 is \$32,500 for a family of four in Stanislaus County.)
Above-Moderate-Income:	Households who earn above 120% of the area median income.

In 1980, the area median income for a family of four was \$20,429 and in 1990, this figure rose to \$32,500, a 63 percent increase. Median income limits are adjusted annually by HUD. For 1991, the area median income for a family of four is \$34,500.

EXHIBIT 3-E
Median Income (Family of Four)



Source: 1980-1990 HUD Median Income Limits for Stanislaus County

In determining housing affordability, HUD guidelines stipulate that a household should not spend more than 30 percent of its gross income on housing needs. Households paying more than 30 percent of their annual income on housing are determined by HUD as needing housing assistance. The exhibit below illustrates housing affordability by income category for a family of four.

EXHIBIT 3-F
Affordable Housing Guidelines
by Income Category, 1990

Category	Income Range (Family of Four)	Maximum Rent or Mortgage*	Maximum Home Loan Amount
Very Low	up to \$16,250	up to \$406	\$48,750
Low	\$16,250 to \$26,000	\$406 to \$650	\$78,000
Moderate	\$26,000 to \$39,000	\$650 to \$975	\$117,000
Above Moderate	\$39,000+	\$975+	\$117,000+

Source: HUD 1990 Median Income Limits and City of Modesto Advanced Planning Section, 1991.

*Not to exceed 30% of monthly income

Family income is generally larger than household income because family households tend to have more members, and therefore potential wage earners, than non-family households. The following exhibit reflects the 1991 median income limits by family size and income category for Stanislaus County, as established by HUD.

EXHIBIT 3-G
1991 Income Limits
by Income Category and Size

Number of Person(s)	Very Low Income	Low Income	Median Income	Moderate Income
1	\$12,100	\$19,300	\$24,150	\$29,000
2	\$13,800	\$22,100	\$27,600	\$33,100
3	\$15,500	\$24,850	\$31,050	\$34,500
4	\$17,250	\$27,600	\$34,500	\$41,400
5	\$18,650	\$29,800	\$37,250	\$44,700
6	\$20,000	\$32,000	\$40,000	\$48,000
7	\$21,400	\$34,200	\$42,800	\$51,350
8	\$22,750	\$36,450	\$45,550	\$54,650

Source: HUD Family Income Limits, April 1991, for Stanislaus County.

Actual income data for the City of Modesto has not yet been released by the Census Bureau. The following exhibit provides a breakdown of median incomes, by zip code for the City of Modesto.

EXHIBIT 3-H
City of Modesto
1991 Median Income by Zip Code

ZIP CODE	MEDIAN INCOME	ZIP CODE	MEDIAN INCOME
95350	\$32,616	95354	\$23,550
95351	\$20,333	95355	\$35,325
95352	n/a	95356	\$35,804
95353	n/a	95357	n/a

Source: Statistical Update, Stanislaus County Economic Development Corporation (SCEDCO), 1991

4.0 HOUSING UNIT CHARACTERISTICS

4.1 Trends in Housing

Modesto's housing conditions and needs are reflective of many area-wide and nation-wide trends. People are living longer, having fewer children and forming smaller households. At the same time, the City of Modesto is experiencing an influx of minority/refugees with large families. There are more divorces, more single-parent households (especially those with female-headed households) and more single-person households.

The City of Modesto is one part of the housing market area that makes up Stanislaus County as a whole. Existing trends and further conditions county-wide will affect housing prices and affordability in Modesto.

4.2 Housing Type and Tenure

Single-family homes are the most predominant type of housing in the City of Modesto. The 1990 Census has recently revealed that 72.5 percent of the City's housing stock is made up of single-family units. Multi-family units make up 23.7 percent of the City's housing stock, and the remaining 3.7 percent are mobile homes.

EXHIBIT 4-A
Total Housing Units
by Housing Type, 1980-1990

Housing Type	Number of Housing Units		Change 1980-1990	
	<u>1980</u>	<u>1990</u>	<u># Increase</u>	<u>% Increase</u>
Single-Family	31,942	44,154	12,212	38%
2-4 Units	3,422	5,606	2,184	63%
5+ Units	6,328	8,869	2,541	40%
Mobile Homes	878	2,249	1,371	156%
TOTAL	42,570	60,878	18,308	43%

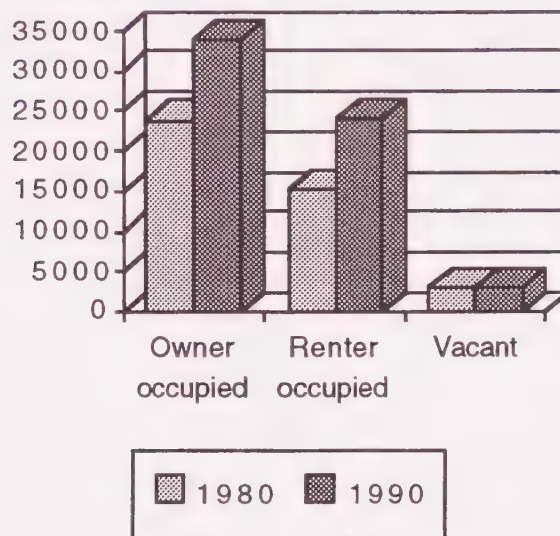
Source: 1980 and 1990 Census

Housing tenure indicates whether or not a housing unit is owner occupied or renter occupied. In 1990, there were 33,881 owner-occupied housing units and 24,077 renter occupied housing units. The exhibit below illustrates the increase in owner and renter occupied units from 1980 to 1990.

EXHIBIT 4-B

Total Housing Units by Tenure, 1980-1990

Source: 1980 and 1990 Census



Additional data on renter-occupied housing units is supplied by the following exhibit.

EXHIBIT 4-C

Occupancy Characteristics Renter-Occupied Housing Units, 1990

	Total	One Unit Detached or Attached	Persons Per Unit	Median Number of Rooms
City of Modesto	24,077	10,677	2.76	4.0
Stanislaus County	49,246	24,940	2.95	4.1
California	4,607,263	1,488,240	2.74	3.7

Source: California Apartment Association

4.3 Vacancy

A community's vacancy rate indicates the percentage of units that are vacant, either for sale or rent at any one time. A vacancy rate measures the condition of the housing market, indicating whether there are sufficient vacant units available for a "healthy" housing market with adequate supply and demand. Generally, the rule of thumb is that a 4.5 percent to 5.0 percent vacancy rate indicates a good balance of supply and demand in the housing market.

Exhibit 4-D below, indicates the overall vacancy rates for the City of Modesto from 1984, the year of the last Housing Element update, to the present. Vacancy rates for the City of Modesto are computed by the State Department of Finance on a yearly basis and by the Census Bureau every ten years. The exhibit shows that Modesto's vacancy rate has been declining since 1987. This reflects a "tight" housing market in Modesto, caused by the relative lack of land for residential development, combined with the influx of people from other areas into the community.

EXHIBIT 4-D
City of Modesto
Vacancy Rates 1984-1991

<u>Year</u>	<u>Vac. Rate</u>	<u>Year</u>	<u>Vac. Rate</u>
1984	6.97%	1988	7.53%
1985	7.27%	1989	6.76%
1986	6.81%	1990	4.80%
1987	8.46%	1991	5.45%

Source: Department of Finance vacancy rate figures, 1984-1991.

4.4 Age and Condition of Housing Stock

Modesto's oldest neighborhoods are generally in the downtown and on the west and south side. The west and south sides of town are home to a majority of lower income households, and most of the minority population as well. Newer housing has been built in the north and east sections of town. The oldest houses in Modesto were built over 100 years ago, and many houses have been enlarged upon, sometimes with substandard materials.

The age of the housing stock in the City of Modesto is an important characteristic because it frequently indicates the relative condition of housing. Many state and federal programs use age of housing to determine housing needs and the availability of funds for housing and/or community development. The design life for major components of an average quality housing structure ranges from 20 to 30 years for items such as roofing, plumbing, and electrical. The replacement or major refurbishing of such components within the above time frame normally should be undertaken in order to maintain a decent and safe place to live. In contrast, housing units less than 20 years of age are not likely to require major rehabilitation improvements.

The City's housing supply by age category is shown below. Of the total number of housing units in the City of Modesto, 22 percent or 14,049 units were built before 1960.

EXHIBIT 4-E
City of Modesto Housing Supply,
by Age Category, Pre-1940-1991

YEAR	# OF HOUSES	% OF TOTAL
Pre 1940	3,461	5.43
1940-1949	3,844	6.03
1950-1959	6,744	10.57
1960-1969	9,463	14.83
1970-1979	18,858	29.56
1980-1989	18,508	29.01
1990-1991*	2,917	4.57
TOTAL	63,795	100.0

Source: 1984 Housing Element, 1990 Census, October 1, 1991 Quarterly Population Estimate

*As of October 1, 1991

Data from the 1990 Census on the number of housing units in need of rehabilitation and the number of substandard housing units is not available at this time. However, the City of Modesto has two current resources on housing conditions: (1) the 1988-1991 Housing Assistance Plan, for housing in need of rehabilitation, [which has been incorporated into the 1992 Comprehensive Housing Affordability Strategy (CHAS)], and (2) the 1990 Land Use File for substandard housing conditions, both of which are highlighted on the following pages.

The City of Modesto's 1992 CHAS, as prepared in fulfillment of federal requirements, includes a current housing condition inventory. According to the CHAS, there are a total of 5,246 existing housing units in need of rehabilitation, or eleven percent of the City's total housing units.

EXHIBIT 4-F
Housing Condition Inventory
Units Needing Rehabilitation

<u>Category</u>	<u># of Units Needing Rehab.</u>
Renter Occupied	2,703
Vacant Rental	119
Owner Occupied	2,397
Vacant For Sale	27
TOTAL	5,246

Source: City of Modesto Comprehensive Housing Affordability Strategy, 1992.

In 1988, a windshield survey was performed by the City's Planning and Community Development Department to determine the condition of Modesto's housing stock. Information gathered from this survey went into the City's Land Use File, which is updated semi-annually. Data from the 1990 Land Use File includes the number of residential structures that are rated as to their external condition: (1) satisfactory, (2) minor improvement needed, (3) structural deficiencies, and (4) should be abated.

The Exhibit 4-G, on the following page, illustrates the number of substandard residential units, by major planning areas that a) have structural deficiencies, or b) should be abated, (condition codes three and four). There are 700 housing units in need of structural repair and 250 housing units that are beyond rehabilitation and should be demolished. A copy of Modesto's Planning Areas is located in the Attachment Section located at the end of this Appendix.

EXHIBIT 4-G
Housing Condition by Major Area
(Condition Codes 3 and 4)

Major Area	Condition Code 3	Condition Code 4
I. Northwest	7	1
II. Northeast	2	0
III. N.W. Central	90	6
IV. N.E. Central	22	1
V. East	188	81
VI. West	101	35
VII. South	231	109
VIII. Central	59	17
TOTAL	700	250

4.5 Housing Costs

Higher construction costs and the prices of existing housing have increased the ultimate price of housing out of proportion to many people's ability to pay for housing/rent. Increases in the interest rates can also have a significant effect on the ability of a family to purchase a home or for a developer to construct housing. However, current interest rates, in 1991, are very favorable.

Single-family Units

The sales price of housing has been increasing significantly over the past ten years. According to the Modesto Association of Realtors, the average sales price for a single-family home in Modesto rose from \$77,764 in 1985, to \$135,569 in 1990; a 74 percent increase. The following exhibit reflects this information:

EXHIBIT 4-H
New and Existing Home Purchase Prices
by Average Price, and Percentage Change
1984-1990

Year	Average Home Purchase Price	Annual % Increase
1984	\$78,149	--
1985	\$77,764	-0.5
1986	\$84,166	8.2
1987	\$91,797	9.1
1988	\$99,841	8.9
1989	\$119,703	19.9
1990	\$135,569	13.3

Source: Modesto Association of Realtors, 1991

There are statistics available on the number of minorities that own their own homes. Data from the 1990 Census indicates that among the City's minority populations, Hispanics have a rather high rate of home ownership, with 50 percent of the families in Modesto owning their own homes. They have a higher rate of home ownership than Blacks, 40 percent; Asians, 42 percent; and American Indians, 44 percent. White families have the highest rate, 61 percent.

Multi-family Units

With the increase in construction costs, the average monthly rent has also increased. In 1980, the median rent in Modesto was \$264, and in 1990, it went up to \$448, an overall increase of 59 percent. The exhibit below reflects the change in median rents from January 1984 to July 1991.

EXHIBIT 4-I
Change in Median Rents in Modesto
(1984-1991)

Size of Unit	January 1984	July 1991	Percent of Increase
Studio	\$235	\$375	59%
One-Bedroom	\$295	\$435	47%
Two-Bedroom	\$345	\$518	50%
Three-Bedroom	\$413	\$635	54%

Source: City of Modesto 1984 Housing Element;
City of Modesto Planning Department Apartment Survey, July 1991.

The following exhibit illustrates the total number of renter-occupied housing units and the breakdown of rents paid in the City of Modesto, Stanislaus County and California.

EXHIBIT 4-J
Renter-Occupied Housing Units
Paying Cash Rent

	City of Modesto	Stanislaus County	California
Less than \$250	2,227	5,778	330,342
\$250 to \$499	12,953	26,807	1,385,013
\$500 to \$749	7,328	11,077	1,692,456
\$750 to \$999	817	1,122	668,470
\$1,000 or more	160	227	323,824
Total Occupied Rental Units	23,485	45,011	4,400,105
Median Rent	\$448	\$417	\$561

Source: 1990 Census and the California Apartment Association.

On July 1, 1991, the Planning staff conducted an apartment survey of 70 apartment complexes with a total of 8,021 units. According to the data collected, rents generally range between \$325-\$425 for studio apartments, \$325-\$550 for one-bedroom, \$375-\$625 for two-bedroom, \$550-\$650 for three-bedrooms and \$650+ for four-bedroom units. Most rentals are for one- and two-bedroom apartments. The following exhibit reflects the results of the apartment survey.

**EXHIBIT 4-K
Apartment Survey
Average Monthly Rents (July 1991)**

Size of Unit	Range of Rents	Average Rent
Studio	\$325-\$425	\$375
One-Bedroom	\$325-\$550	\$435
Two-Bedroom	\$375-\$625	\$518
Three-Bedroom	\$550-\$650	\$635
Four-Bedroom	\$650+	\$650+

Source: City of Modesto Department of Planning and Community Development Department Apartment Survey of 70 apartment complexes, July 1, 1991.

In addition to the monthly rent, renters must typically provide the first and last months rent and/or cleaning deposits.

**EXHIBIT 4-L
Rental House Survey
Average Advertised Rental Rates**

Size of Unit	Range of Rents	Average Rent
One-Bedroom	\$295-\$550	\$365
Two-Bedroom	\$425-\$725	\$560
Three-Bedroom	\$450-\$1,100	\$725
Four-Bedroom	\$575-\$900	\$754

Source: City of Modesto Planning and Community Development Department Survey of advertised rents of 154 houses within the City of Modesto, September 10, 1991.

The City of Modesto Planning Staff conducted a survey of mobile home parks and rents on August 6, 1991. The results indicate the costs of renting the space only, and does not include the cost of the mobile home itself.

**EXHIBIT 4-M
Mobilehome Space Rental Survey**

Park Name	Address	Year Built	# of Spaces	Monthly Cost of Space
Standiford Park	1459 Standiford Ave.	1969	98	\$235-\$255
Friendly Village	2621 Prescott Rd.	1970	290	\$300-\$320
Modesto Verde	3101 Celebrity Ln.	1974	129	N/A
Homewood Village	2000 Mable Ave.	1972	350	\$320-\$350
Coralwood Park	331 Coralwood Rd.	1978	196	\$316-\$351
Glenwood Park	2307 Oakdale Rd.	1969	111	N/A
Dry Creek Mobile Estates	1533 Playground Wy.	1985	146	\$268
The Grove	1500 Held Dr.	1986	120	\$260-\$285
Westgate Village	1200 Carpenter Rd.	1986	166	\$205-\$230
Median Space Rent		\$313 per month		

Source: City of Modesto Planning & Community Development Department, August 1991.

HUD Fair Market Rents (FMR) for the Modesto Metropolitan Statistical Area in 1990 can be used as a means to determine whether the current rental rates are within the range of lower income households receiving rental assistance. HUD's Fair Market Rents are used in its Section 8 program for lower income housing assistance. The maximum rents per month as established by HUD for 1990 (for tenants paying the gas and electricity) are as follows: \$356 for a studio, \$436 for a one-bedroom unit, \$518 for a two-bedroom unit, \$653 for a three-bedroom unit, and \$726 for a four-bedroom unit. If it is assumed that the above exhibits are fairly representative of Modesto's rental stock, it is evident that there are a number of one-, two- and three-bedroom units available at HUD's Fair Market Rents (FMR) for lower income households.

Below is a comparison of the 1990 median home values and rents for the City of Modesto and other Stanislaus cities as well as the County as a whole. The percent of the County median for home values and rents are also shown.

**EXHIBIT 4-N
Median Home Values and Rents (1990)**

Location	Median Home Value	Percent of County Median	Median Rent	Percent of County Median
Ceres	\$127,700	103%	\$421	101%
Denair*	\$101,900	82%	\$417	100%
Hughson	\$91,100	73%	\$322	77%
Keyes*	\$66,800	54%	\$359	86%
Modesto	\$130,700	105%	\$448	107%
Newman	\$91,300	73%	\$300	72%
Oakdale	\$108,900	88%	\$395	95%
Patterson	\$133,500	107%	\$278	67%
Riverbank	\$94,300	76%	\$356	85%
Salida*	\$135,300	109%	\$396	95%
Turlock	\$123,300	99%	\$406	97%
Waterford	\$90,700	73%	\$374	90%
Stanislaus County	\$124,300	100%	\$417	100%

*Unincorporated communities in Stanislaus County
Source: 1990 Census

Affordable housing is by far a pressing problem, not only for the City of Modesto, but for other areas in California as well. The rise of the "working poor" elicits the demand for more affordable housing, both rental and for purchase.

Today, in most cases, it takes two incomes just to pay the rent or mortgage. For instance, two full-time workers earning minimum wages barely earn enough to be able to afford the average median rent of \$448. One person working full-time in Modesto, needs to earn \$8.40 per hour to keep within the 30 percent affordability guidelines and be able to afford the average median rent (\$448).

The following exhibit is a comparison of salary ranges and the cost to rent or buy a home.

EXHIBIT 4-O
Comparison of Salary Ranges and Rental/Mortgage Payments

Occupation	Salary (Hourly/Monthly) Full-time	Maximum Rent/Mortgage Payment	Maximum Home Loan Amount
Minimum Wage Wkr.	\$4.25/\$680	\$227	\$24,480
Retail Clerk (a)	\$5.00/\$800	\$266	\$28,800
General Office Clerk (a)	\$6.60/\$1056	\$352	\$38,016
Shop Mechanic-entry (a)	\$8.40/\$1344	\$448	\$48,384
Truck Driver (a)	\$10.90/\$1744	\$581	\$62,784
Computer Operator (b)	\$12.36/\$1978	\$659	\$71,208
Teacher (c)	\$13.89/\$2222	\$740	\$80,025
Registered Nurse (d)	\$15.75/\$2520	\$840	\$90,720
Police Officer (b)	\$17.59/\$2814	\$938	\$101,304
Fire Fighter (b)	\$18.25/\$2916	\$972	\$104,976

Sources: (a) California Employment Development Department, July 1990.
 (b) City of Modesto Salary Schedule, July 1991.
 (c) Modesto City Schools, beginning (step 1) K-12 teacher salary, October 1991.
 (d) Doctors Medical Center, base salary, excluding night shift deferential.

Overpayment

At this time, data on overpayment is not available from the 1990 Census. However, by interpolating data from the 1980 Census, the minimum number of lower income households* overpaying for housing can be estimated. A total of 11,586 lower income households (8,956 renters and 2,630 owners) paid more than 25 percent of their income in 1991 for housing.

*Note: Lower income households are defined as those earning below 80 percent of the area median income. Overpayment is currently defined as spending more than 30 percent of one's income on housing.

EXHIBIT 4-P
City of Modesto Lower Income Households
Paying More Than 25% of their Income on Rent

Rent as a % of Income	<u># of Lower Income Households</u>	
	1980	1991
25-34%	1,102	1,696
35%+	4,380	6,743
Not computed	336	517
TOTAL	5,818	8,956

Source: 1980 Census, State HCD; 1991 Data: City of Modesto Planning Dept.

EXHIBIT 4-Q
City of Modesto Lower Income Households
Paying More than 25% of their Income on Mortgage Costs

Owner Costs as a % of Income	<u># of Lower Income Households</u>	
	1980	1991
25-34%	376	579
35%+	1,211	1,865
Not computed	121	186
TOTAL	1,708	2,630

Source: 1980 Census, State HCD; 1991 Data: City of Modesto Planning Dept.

The distinction between renter and owner housing overpayment is important because while homeowners may extend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market, and are generally required to pay the rent established in that market.

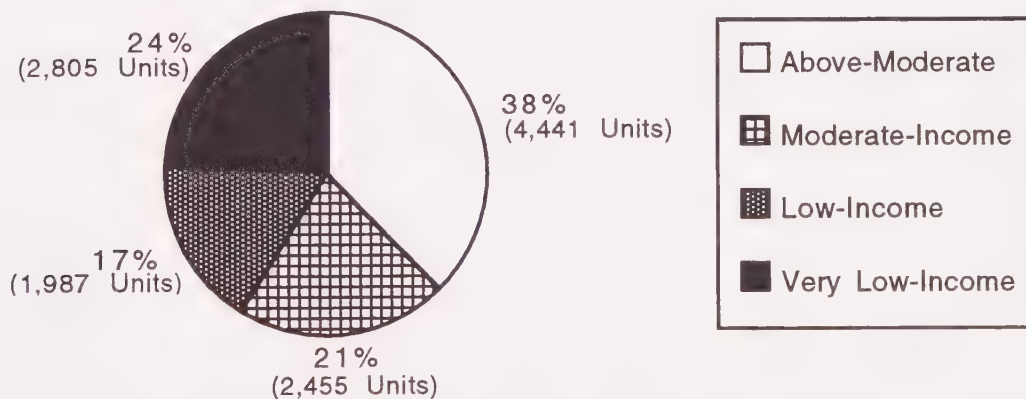
4.6 Share of Regional Housing Needs

Approximately every five years, Councils of Governments, such as the Stanislaus Area Association of Governments (SAAG), are required to prepare a Regional Housing Needs Report. The report is based upon existing and projected housing needs, for all income segments, and for all jurisdictions within the region. Each jurisdiction is then required by state law to incorporate their regional share in their Housing Element update and develop local housing programs to help meet the existing and projected housing needs of all income groups.

The following exhibit represents the City's regional share of housing units by income category for 1990-1997.

EXHIBIT 4-R

Projected Housing Need by Income Category



Source: SAAG Regional Housing Needs Report, February 1991.

The following exhibit reflects the distribution of households in Modesto and Stanislaus County by income category.

EXHIBIT 4-S
1990-1997 PROJECTED HOUSING CONSTRUCTION NEEDS
BY INCOME CATEGORY

Jurisdiction	Total Projected Need	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Modesto	11,688	2,805*	1,987	2,455	4,441
Ceres	3,619	869	615	760	1,375
Hughson	769	185	131	161	292
Newman	1,301	312	221	273	494
Oakdale	1,112	267	189	233	423
Patterson	964	231	164	202	367
Riverbank	1,350	324	230	284	513
Turlock	5,555	1,333	944	1,167	2,111
Waterford	351	84	60	74	133
Unincorporated	2,206	529	375	463	838
TOTAL	28,915	6,939	4,916	6,072	10,897

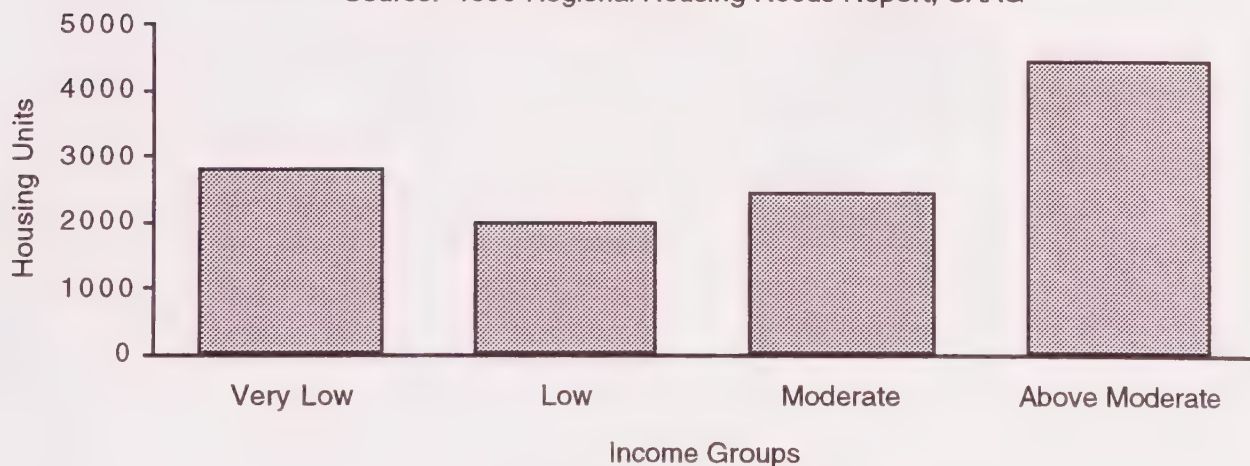
Source: Table F-2, SAAG Housing Needs Report, Volume III, February 13, 1991.

*Includes 244 Farmworker Housing Units (Note: Tables may not add due to rounding)

EXHIBIT 4-T

New Construction Need by Income Group, 1990-1997

Source: 1990 Regional Housing Needs Report, SAAG



SAAG has determined Stanislaus County's housing needs for 1990-1997. Modesto's increase in basic housing needs are 10,677 units (projected need for new construction) and 1,011 replacement units, for a total of 11,688 housing units. The county-wide total of basic housing needs for 1990-1997 is 28,915 units. Increase in housing need is the amount of housing needed by 1997 to meet projected household growth and to keep the housing market in balance. The basic replacement need is the amount of housing needed to replace units expected to be demolished or lost from the present stock.

The following exhibit reflects the basic construction needs for the City of Modesto, the County and surrounding cities for 1990-1997.

**EXHIBIT 4-U
1990-1997 BASIC CONSTRUCTION NEEDS**

	Increase In Housing Needs	Basic Replacement Needs	Basic Construction Needs
Modesto	10,677	1,011	11,688
Ceres	3,455	164	3,619
Hughson	747	22	769
Newman	1,270	31	1,301
Oakdale	1,037	75	1,112
Patterson	916	48	964
Riverbank	1,301	49	1,350
Turlock	5,278	277	5,555
Waterford	327	24	351
*Unincorporated	1,663	543	2,206
TOTAL	26,671	2,244	28,915

Source: Table D-2, Housing Needs Report, Volume III, SAAG; Feb. 13, 1991.

The Regional Housing Needs Report also discusses the distribution of assumed 1990-1997 Housing Needs by Type for the City of Modesto and Stanislaus County. The distribution for the City of Modesto is shown below:

**EXHIBIT 4-V
1990-1997 Distribution of Assumed Housing Needs by Type
City of Modesto**

	<u>1990-1997 Basic Construction Needs</u>	<u>Single-Family Detached</u>	<u>Multi-Family Attached</u>
Modesto	11,688	7,843	3,845

Source: Table E-2, SAAG, Regional Housing Needs Report, February, 1991.

Progress to date in meeting the City's Regional Housing Needs is illustrated by the following exhibit.

EXHIBIT 4-W
Average Allocation of Building Permits
Needed to Meet Basic Construction Projections, 1990-1997

New <u>Basic</u> Construction Needs 1990-1997	11,688
Building Permits Issued 1990-1991	1,889
Remaining Need (11/1991-1997)	9,799
Average Annual Allocation of Permits Needed (12/1991 to 1997)	1,633

Source: City of Modesto Planning Department, October 31, 1991.

4.7 Energy Costs and the Housing Stock

Over the past few years energy conservation has become an increasing concern not only to home builders and utility companies but to consumers as well. Use of energy efficiency practices can result in lower energy bills for the consumer, as well as reduce the magnitude, need, and expense of additional generation facilities.

Both the Pacific Gas & Electric (PG &E) and the Modesto Irrigation District (MID) offer a variety of energy conservation programs to their customers. A listing of the current residential energy conservation programs offered by PG&E and MID is included below:

PG&E

Zero Interest Payment - Loan program to encourage customers to make existing homes more energy efficient, thereby lowering the cost of heating and cooling their homes.

Energy Partners - Helps keep energy costs to a minimum. PG&E will send, free of charge, a contractor to the customer's home to inspect and install weatherization and water saving devices (i.e. insulation, weatherstripping, shower heads). Available to any homeowner upon request.

Residential Time of Use - Time of use customers receive a special water meter that keeps track of how much energy is used and when it is used. Helps customers save on energy costs. An extra monthly fee is charged to cover the expense of the more costly Time of Use meter.

Low Income Rate Assistance Program (LIRA) - PG&E offers a 15% discount on monthly energy (gas and electric) charges for qualified low-income households.

MID

Shave the Energy Peak (STEP) - A load control switch is installed on the customer's air conditioner. During periods of high energy use, MID signals the air conditioner to shut off for short periods of time usually averaging ten minutes per half hour.

Power Saver Home Program - Available to builders and buyers of new residential homes within MID service territory. Builders qualify by installing dual pane windows, high-efficiency air conditioners, ceiling insulation, etc... A \$400 - \$600 rebate is given to the builder. Home buyers receive a one-time \$100 bill credit. Homes must pass inspection and satisfy all specified criteria.

Power Saver Plus - Offers residential customers bill credit incentives for making specific energy improvements to their homes. Bill credits can be received in one of two ways: 1) Installation of high-efficiency air conditioners, and 2) Installation of sun shades - sunscreens or window film.

Future Energy Efficiency Guidelines

According to the 1990 Energy Efficiency Report, by the California Energy Commission, residential electricity use is expected to increase by 50 percent by the year 2009. In its report, the Commission stated that it is currently revising its residential building standards and will adopt new standards in 1992. The emphasis of the new standards will be to capture greater savings by clarifying the building standards and appliance standards, with a focus on the major areas of energy use: space heating and cooling, water heating, refrigerators and freezers.

The use of energy efficient building and appliance materials in both new and existing homes can save the consumer money. For example, the Energy Commission analyzed a prototypical 1,761 square foot house built with energy efficient materials. The materials included an insulated structural panel (R-29) for the walls and roof, R-8 windows, R-5 duct insulation, tight infiltration with an air-to-air heat exchanger and careful shading of the windows. Using these materials, the house would use one-half the cooling energy and one-fourth the heating energy of a house that meets the current building efficiency standards. The Energy Commission is currently developing residential efficiency guidelines for those who want to go beyond the current standards.

Currently the City enforces Title 24 (California Administrative Code) of the State Energy Conservation Standards. Title 24 includes building code regulations that require compliance with residential energy conservation measures for all new construction and remodeling. The Housing Element will include programs to ensure that this effort is continued, as well as support public education programs to promote residential energy conservation in both new homes and existing homes.

5.0 Employment Characteristics

5.1 Local Employment Market

Since 1985, there has been a substantial increase in employment growth in the City of Modesto and Stanislaus County. The annual employment growth rate jumped from 0.9 percent between 1980 and 1985, to 3.5 percent between 1985 and 1990. Much of this growth has been in warehouse distribution and manufacturing facilities.

EXHIBIT 5-A
Labor Force Figures
Stanislaus County 1985-1991
(x 1,000)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990*</u>	<u>1991*</u>
Civilian Labor Force	141.7	143.2	149.6	157.2	162.4	170.3	173.3
Employment	120.1	123.4	131.6	138.5	144.1	151.7	147.6
Unemployment	21.6	19.8	18.0	18.7	18.3	18.6	25.7
Unemployment Rate	15.2%	13.9%	12.1%	11.9%	11.3%	10.9%	14.8%

*Figures available: ending July 31.

Source: SCEDCO Statistical Update July-August 1991, City of Modesto 1990 Statistical Update.

The California Employment Development Department provides information for the Modesto Metropolitan Statistical Area, which includes Stanislaus County.

5.2 Major Employers

The major employers in the City of Modesto and Stanislaus County are agriculture and related industries, and manufacturing. Major growth has occurred in the wholesale and retail trades, construction and services. Government, including the City of Modesto, and Stanislaus County and the local schools, account for a major share of employment in Modesto.

EXHIBIT 5-B
Major Employers
(Manufacturing and Non-Manufacturing)

Manufacturing Companies in Modesto

Company	Employees	Products
E & J Gallo Winery	1,832	Wines
Tri-Valley Growers	1,600*	Food Processor/Canneries
Stanislaus Food Products Co.	1,200*	Dehydrated Vegetables/Can. Foods
Campbell Soup Company	650	Frozen Food Specialities
Procter & Gamble Paper Goods	635	Disposable Diapers/Undergarments
Kraft General Foods (CVC)	550	Dehyd. Veg./Cereals/Frozen Foods
Frito-Lay	400	Snack Chips
Del Monte Corporation	321*	Tomato Products
Racor-Division of Parker Hannifin	277	Fuel Filters
James River Corporation	220	Paper Packages
Gallo Glass Company	200*	Glass Bottles

*Figures do not reflect seasonal employment

Non-Manufacturing Companies in Modesto

Company	Employees	Type of Activity
Stanislaus County	3,599	Government
Modesto City Schools	2,500	K-12 School District
Doctors Medical Center	1,931	Health Care
Memorial Hospitals Assoc.	1,650	Health Care
Modesto Jr. College (Y.C.C.D.)	1,241	Community College
City of Modesto	1,039	Government
Gould Medical Foundation	560	Health Care
Modesto Bee	550	Newspaper
Pacific Bell	400	Utility
Modesto Irrigation District	351	Utility
Red Lion Hotel	340	Accommodations/Hospitality

6.0 Glossary

6.1 General Definitions used in Housing Element

Affordable Housing: Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utility costs.

Article 34 Referendum: Article 34 of the California State Constitution requires state public entities to obtain voter approval before they "develop, construct or acquire" a low-rent housing project. Since 1972, the voters in the City of Modesto have approved three public housing referendums totalling 1,300 units. To date, 396 authorized units have been built by the Stanislaus County Housing Authority. A total of 904 voter approved units remain unbuilt.

Assisted Housing: Generally multi-family housing, but sometimes single-family ownership housing, whose construction, financing, sales prices, or rents have been subsidized by federal, state, or local housing programs including, but not limited to Federal Section 8, 202, 213, 221 (d)(3), and 236, CDBG, FmHA Section 515, multi-family and single family mortgage revenue bonds, local redevelopment programs, and units developed pursuant to density bonus and to local programs (e.g. Housing Trust Fund/Equity Sharing Program). By July 1, 1992, all California Housing Elements are required to address the preservation or replacement of at-risk housing (housing that is eligible to change to market rate housing by 2002).

California Housing Finance Agency: A state agency established by the Housing and Home Finance Act of 1975, which is authorized to sell revenue bonds to generate funds for the development, rehabilitation, and conservation of low- and moderate-income housing.

Census: The official decennial enumeration of the U.S. population conducted by the federal government.

Community Development Block Grant (CDBG): A grant program provided by the U.S. Department of Housing and Community Development and administered by the State of California, Department of Housing and Community Development. This grant allots funds to cities and counties for housing and community development activities.

Congregate Care: Apartment housing, usually for seniors, in a group setting that includes independent living and sleeping accommodations in conjunction with shared dining and recreational facilities.

Density Bonus: Density Bonuses, by providing incentives to the developer, increase the economic feasibility for private development of affordable housing. All localities must establish procedures for carrying out the state density bonus law. This means a jurisdiction must provide a 25 percent density bonus and additional incentives if a developer agrees to provide at least 10 percent of the housing units to very-low income households, or 20 percent available to low-income households, or 50 percent available for senior housing. (Applicable only to projects consisting of five or more units.)

Disabled Household: A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental, or emotional impairment that: (1) is expected to be of long-continued and indefinite duration, (2) substantially impeded his or her ability to live independently, and (3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time of his or her death.

Dwelling Unit: A room or group of rooms (including sleeping, eating, cooking, and sanitation facilities, but not more than one kitchen), that constitutes an independent housekeeping unit, occupied or intended for occupancy by one household on a long-term basis.

Elderly Housing: Typically studio, one- and two-bedroom apartments or condominiums designed to meet the needs of persons 62 years of age or older or, of more than 150 units, persons 55 years of age and older, and restricted to occupancy by them.

Emergency Shelter: A facility that provides immediate and short-term housing and supplemental services for the homeless. Supplemental services may include food, counseling, and access to other social service programs.

Fair Market Rent: The rent, including utility allowances, determined by the United States Department of Housing and Urban Development for purposes of administering the Section 8 Existing Housing Program.

Family: (1) Two more persons related by birth, marriage, or adoption as defined by the U.S. Bureau of the Census.

Farmers Home Administration (FmHA): A federal agency providing loans and grants for improvement projects and low-income housing in RURAL areas.

First Time Homebuyer: An individual or family who has not owned a home during the three-year period preceding the HUD-assisted purchase of a home that must be used as the principle residence of the homebuyer.

For Rent: Year-round housing units which are vacant and offered/available for rent. (U.S. Census definition)

For Sale: Year round housing units which are offered/available for sale only. (U.S. Census definition)

Homeless: Persons and families who lack a fixed, regular, and adequate nighttime residence. Includes those staying in temporary or emergency shelters or who accommodated with friends or others with the understanding that shelter is being provided as a last resort.

HOME: The HOME Investment Partnerships Act, which is the Title II of the National Affordable Housing Act.

HOPE 1: The HOPE for Public and Indian Housing Homeownership Program, which is Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2: The HOPE for Homeownership of Multifamily Units Program, which is Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3: The HOPE for Homeownership of Single-Family Homes Program, which is Title IV, Subtitle C of the National Affordable Housing Act. HOPE 3 provides homeownership opportunities for low-income families and individuals. Applicants for HOPE 3 grants can be (1) private non-profit organizations, (2) cooperative organizations, or (3) public agencies including cities, counties, and public housing agencies. The grantees receive Federal assistance to initially acquire and rehabilitate single-family properties owned by federal, state, and local governments. Grantees in turn sell the properties to eligible families at affordable prices using a wide variety of financing techniques permitted under this program.

Household: One or more persons occupying a housing unit. (U.S. Census definition).

Housing Authority, Local: Local housing agency established by State law, subject to local activation and operation. Originally intended to manage certain federal subsidies, but vested with broad powers to develop and manage other forms of affordable housing. Local Housing Authority: Stanislaus County Housing Authority.

Housing and Community Development Department of the State of California (HCD): The State agency that has principal responsibility for assessing, planning for, and assisting communities to meet the needs of low- and moderate-income households.

Housing and Urban Development Department, U.S. Department of. (HUD): A cabinet-level department of the federal government that administers housing and community development.

Housing Income Limits: Median household income, adjusted for household size, is used to determine very low, lower, moderate, and above moderate (upper income) household levels. The State of California, Department of Housing and Community Development, adjust these levels on a periodic basis and provides that information to local communities.

Housing Unit: An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition).

Housing Rehabilitation: (1) Needing Rehab: Dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction, or minor livability problems or maintenance work. (2) Not Rehabitable: Dwelling units that are determined to be in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Income: Refers to the annual sum of all payments from all sources received by the head of the household and each additional member of the household who is not a minor. Income includes gross wages and salaries, commissions, tips, bonuses, social security payments, railroad retirement, unemployment compensation, worker's compensation, strike benefits, veteran's benefits, public assistance (including AFDC, SSI, and General Assistance), training stipends, alimony, child support, military family allotments, regular support from an absent member, private pensions, regular insurance or annuity payments, income from dividends, interest, royalties, estates, or trusts.

Low-Income Household: Households whose incomes do not exceed 80 percent of the median income for the area, as determined by HUD. HUD income limits are updated annually and are available from local HUD offices for the appropriate jurisdictions.

Manufactured Housing: Residential structures that are constructed entirely in the factory, and since 1976, have been regulated by the federal Manufactured Home Construction and Safety Standards Act of 1974 under the administration of HUD.

Mobile Home: A structure, transportable in one or more sections, built on a permanent chassis and designed as a single-family dwelling unit.

Moderate-Income Household: Households whose incomes are between 81 percent and 120 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families.

Modular Unit (also called Factory-built Housing): A factory-fabricated, transportable building or major component designed for use by itself or for incorporation with similar units on-site into a structure for residential, commercial, educational, or industrial use. Differs from mobile homes and manufactured housing by being subject to California housing law design standards.

Multiple Family Building (Multi-family): A detached building designed and used exclusively as a dwelling by three or more families occupying separate suites.

Patio Unit: A detached single-family unit, typically situated in reduced-sized lots, that orients outdoor activity within rear or side-yard patio areas for better utilization of the site for outdoor living space.

Occupied Housing Unit: A housing unit that is the usual place of residence of the occupant (s).

Overcrowded: A housing unit containing more than one person per room (U.S. Census definition).

Regional Housing Needs: A qualification by a COG or by HCD of existing and projected housing needs, by household income group, for all localities within a region.

Renter: A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent. (U.S. Census definition).

Renter-Occupied Unit: Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.

Single-family Dwelling, Attached: A dwelling unit occupied or intended for occupancy by only one household that is structurally connected with at least one other such dwelling. (Townhouse, Condominium.)

Single-family Dwelling, Detached: A dwelling unit occupied or intended for occupancy by only one household that is structurally independent.

Single-Room Occupancy (SRO): A single room, typically 80-250 square feet, with a sink and closet, but which requires the occupant to share a communal bathroom, shower, and kitchen.

Second Unit: A self-contained living unit, either attached to or detached from, and in addition to, the primary residential unit on a single lot. Sometimes called a "Granny Flat."

Senior: Senior typically indicates a person 60 years of age or older. (Please note: specific housing programs or housing developments that are funded with governmental assistance may use another age threshold, e.g. 62 years or 65 years, to determine senior or elderly households.)

Substandard Housing: Residential dwelling units that, because of their physical condition, do not provide safe and sanitary housing.

Total Vacant Housing Units: Unoccupied housing units. (U.S. Census definition).

Vacant Housing Unit: Unoccupied year-round housing units that are available or intended for occupancy at any time during the year.

Very-Low Income: Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families.

Year Round Housing Units: Occupied and vacant housing units intended for year-round use (U.S. Census definition). Housing units for seasonal or migratory use are excluded.

Zero Lot Line: A detached single-family unit distinguished by the location of one exterior wall on a side property line.

Zone: A designated section of the City for which specific land use requirements and development standards are uniform. The City of Modesto's residential zones are designated: R-1, R-2, and R-3.

R-1: This zone allows single-family residential development (one dwelling unit per lot). The minimum lot size is 5,000 square feet (5,500 sq. ft. for a corner lot). Second dwelling units on lots are allowed on corner lots, and on interior (non-corner) lots with plot-plan review (the so-called "granny flats").

R-2: This zone allows multi-family development at medium densities (up to 14 dwelling units per acre). The minimum lot size is 6,000 square feet (6,500 sq. ft.), on which two dwelling units are allowed. As lot size increases, more dwelling units are allowed (at the rate of one dwelling unit per each additional 3,000 sq. ft. of lot area).

R-3: This zone allows multi-family development at medium-high densities (up to 27 dwelling units per acre). It is the City's highest density residential zone. The minimum lot size is the same as the R-2 Zone. Three dwelling units are allowed on the minimum lot size. As in the R-2 Zone, the larger the lot, the more dwelling units are allowed (in this case, one dwelling unit for each additional 1,500 sq. ft.).

Data Source: City of Modesto Planning Department, and the California General Plan Glossary (published by the California Planning Roundtable, 1990.)

7.0 Attachments (Reference Materials and Maps)

7.1 Further Study of 1984-1989 Regional Housing Needs

As noted in Chapter 2.0, of the Housing Element, this section evaluates the number of new housing units constructed by type and income category between 1984-1989.

The evaluation of the City's 1984 Housing Element indicates that between the years 1984 and 1989, there were 13,336 new units constructed in the City of Modesto. Of this total: 8,819 were single family units; 3,937 were multi-family units; and 580 were mobilehomes. A summary of new housing for 1984-1989, by type and income is reflected below:

**Summary of Total New Housing 1984-1989
by Type and Income Category**

<u>% of Area Median Income</u>	<u>Very Low</u> 0 to 50%	<u>Low</u> 50 to 80%	<u>Moderate</u> 80 to 120%	<u>Above Moderate</u> 120% and above
# of Single Family Units*	14	1,846	4,880	2,079
# of Multi-family Units	478	1,263	1,933	263
# of Mobilehome Units	0	580	0	0
TOTAL	492	3,109	6,813	2,342

*Please note regarding sales price assumptions for single-family homes: research indicated that initially, the majority of new homes for sale between 1984-1989 were market rate affordable and available to low- and moderate-income homebuyers. Additional information was garnered from comparing building permit valuations, plus land costs with advertisements for new homes listed in The Modesto Bee from 1984-1989, as well as from records in the Planning Department files. Also, the 14 homes built that were affordable to very-low income homebuyers were most likely built by individuals, who also owned their own lot/land.

The following pages reflect a yearly summary (1984-1989) of new housing by housing type and income category. Each summary also indicates the methods used to calculate the number of new units constructed by income category.

1984 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$12,200	<u>Low</u> \$12,201 to \$19,500	<u>Moderate</u> \$19,501 to \$29,300	<u>Above Moderate</u> \$29,301 and above
# of Single Family Units	14	191	240	180
# of Multi-family Units	70	143	128	20
# of Mobilehome Units	0	53	0	0

Notes: Median Family Income in 1984: \$24,400. Single Family (SF): 14 Units determined to be affordable to persons in the top of the very-low income category without subsidy or/assistance. 52 SF Mortgage Revenue Bond Low-Income Units. SF Price Assumption: Price of home calculated by building permit valuation "x" 20 percent, to cover land costs. Multi-family (MF): Very-low Income: 70 Section 8 Units. Mobilehomes: 53 with rents affordable to persons in the Low-Income category.

1985 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$12,550	<u>Low</u> \$12,551 to \$20,100	<u>Moderate</u> \$20,101 to \$29,120	<u>Above Moderate</u> \$29,121 and above
# of Single Family Units	0	509	738	169
# of Multi-family Units	157	155	567	48
# of Mobilehome Units	0	146	0	0

Notes: Median Family Income in 1985: \$25,150. Single Family (SF): 110 SF Low-Income Mortgage Revenue Bond Units and 108 SF Moderate Income Mortgage Revenue Bond Units. SF Price Assumption: Price of home calculated by building permit valuation "x" 20 percent, to cover land costs. Multi-family (MF): Very-Low: 101 Section 8 Units, and 50 MF Mortgage Revenue Bond Units and 6 Density bonus Units. Low-Income: 95 MF Mortgage Revenue Bond Units. Mobilehomes: 146 with rents affordable to persons in the Low-Income category.

1986 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$13,000	<u>Low</u> \$13,001 to \$20,800	<u>Moderate</u> \$20,801 to \$30,200	<u>Above Moderate</u> \$30,201 and above
# of Single Family Units	0	454	1,421	590
# of Multi-family Units	79	280	622	100
# of Mobilehome Units	0	286	0	0

Notes: Median Family Income in 1986: \$26,000. Single Family (SF): SF Price Assumption: Price of home calculated by building permit valuation "x" 30 percent, to cover land costs. Multi-family (MF): Very-low Income: 35 Section 8 Units and 44 MF Mortgage Revenue Bond Units. Low-Income: 100 MF Mortgage Revenue Bond Units and 2 Density Bonus Units. Mobilehomes: 286 with rents affordable to persons in the Low-Income category.

1987 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$13,750	<u>Low</u> \$13,751 to \$22,000	<u>Moderate</u> \$22,001 to \$33,000	<u>Above Moderate</u> \$33,001 and above
# of Single Family Units	0	191	600	448
# of Multi-family Units	0	267	243	30
# of Mobilehome Units	0	61	0	0

Notes: Median Family Income in 1987: \$27,500. Single Family (SF): Price Assumption: Price of home calculated by building permit valuation "x" 30 percent, to cover land costs. Multi-family (MF): Market rate rents affordable to low, moderate and above-moderate incomes. Mobilehomes: Rents affordable to persons in the Low-Income category.

1988 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$14,850	<u>Low</u> \$14,851 to \$23,750	<u>Moderate</u> \$23,751 to \$35,650	<u>Above Moderate</u> \$35,651 and above
# of Single Family Units	0	312	1,450	562
# of Multi-family Units	88	196	181	25
# of Mobilehome Units	0	20	0	0

Notes: Median Family Income in 1988: \$29,700. Single Family (SF): Price Assumption: Price of home calculated by building permit valuation "x" 30 percent, to cover land costs. Multi-family (MF): Very-low Income: 22 Section 8 Units and 66 MF Mortgage Revenue Bond Units. Mobilehomes: Rents affordable to persons in the Low-Income category.

1989 New Housing Summary by Type and Income Category

Annual Income	<u>Very Low</u> \$0 to \$15,900	<u>Low</u> \$15,901 to \$25,450	<u>Moderate</u> \$25,451 to \$38,150	<u>Above Moderate</u> \$38,151 and above
# of Single Family Units	0	190	430	130
# of Multi-family Units	84	222	192	40
# of Mobilehome Units	0	14	0	0

Notes: Median Family Income in 1989: \$31,800. Single Family (SF): Price Assumption: Price of home calculated by building permit valuation "x" 30 percent, to cover land costs. Multi-family (MF): Very-low Income: 84 Section 8 Units. Mobilehomes: Rents affordable to persons in the Low-Income category.

7.2 Housing Opportunities: Vacant Sites

As noted in Housing Element Chapter 2.0, ~~Section 2.3~~ 3.0, Section 3.3 Housing Opportunities, the following three charts reflect the potential amount of vacant land in the current sewer service area, by neighborhood.

Information on vacant sites in the urban reserve and remanant neighborhoods is located in the Housing Element, Chapter 3.0. The following shows vacant land by zoning for each neighborhood containing vacant residential land without development approvals.

**Neighborhood Listing of Vacant Residential Land
Without Development Approvals**

Neighborhood		Vacant Land by Zoning (acres)			TOTAL
		R - 1	R - 2	R - 3	
1	Aqueduct	0.0	0.0	4.4	4.4
3	Chrysler-99	6.6	0.0	0.0	6.6
9	Beyer	9.1	2.2	0.0	11.3
10	Sherwood	3.2	0.0	0.0	3.2
11	Coffee-Sylvan	0.0	8.4	18.5	26.8
13	Floyd	19.6	0.0	0.0	19.6
17	East McHenry	1.0	0.0	0.0	1.0
20	Rose Park	15.7	1.2	0.0	16.9
21	East Orangeburg	33.4	0.0	1.5	34.9
23	La Loma	18.8	0.0	0.0	18.8
24	East La Loma	5.1	0.0	0.0	5.1
25	Riverside	0.0	1.1	8.2	9.3
26	Airport	0.0	0.0	1.9	1.9
27	Woodland	5.5	0.0	0.0	5.5
29	Maze-Wren	4.0	1.2	0.0	5.2
31	Twain	94.0	0.0	0.0	94.0
32	Near West Side	4.9	0.0	0.0	4.9
34	Burbank	3.9	0.0	0.0	3.9
35	Bellenita	11.3	0.0	0.0	11.3
36	Fairway	4.8	7.1	0.0	11.9
37	Fairview	30.6	0.0	0.0	30.6
38	Bret Harte	30.7	0.0	0.0	30.7
51	Orchard	26.0	0.0	7.4	33.5
54	Pelandale	0.0	25.2	20.1	45.2
55	McKinney Colony	15.0	4.2	0.0	19.2
TOTAL		343.1	50.6	61.9	455.6

The table below reflects the acres of tentative maps by zoning for each neighborhood containing land with tentative map approvals.

**Neighborhood Listing of Vacant Residential Land
With Tentative Map or Other Development Approvals**

Neighborhood	Vacant Land by Zoning (acres)				TOTAL
	R - 1	R - 2	R - 3	Senior	
3 Chrysler-99	0.0	7.1	0.0	6.2	13.3
17 East McHenry	17.1	0.0	0.0	0.0	17.1
20 Rose Park	11.2	0.0	0.0	0.0	11.2
22 Scenic East	4.7	0.0	0.0	0.0	4.7
27 Woodland	9.2	0.0	0.0	0.0	9.2
34 Burbank	1.8	0.0	0.0	0.0	1.8
38 Bret Harte	18.2	0.0	0.0	0.0	18.2
67 Yosemite	12.8	0.0	16.5	0.0	29.2
TOTAL	74.9	7.1	16.5	6.2	104.6

A listing of vacant lots in existing single-family subdivisions, by neighborhood in Modesto is shown below.

**Neighborhood Listing of Vacant Lots
in Existing Single-Family Subdivisions**

Vacant Subdivision Lots		
Neighborhood	Acreage	Number of Lots
1 Aqueduct	1.0	3
2 Northwest McHenry	0.9	5
3 Chrysler-99	2.9	7
4 Goldsworthy	0.7	4
5 Woodrow	0.2	1
6 Muncy-Everett	0.1	2
7 Beard	0.5	2
8 Northeast McHenry	1.4	9
9 Beyer	3.2	21
10 Sherwood	0.8	2
11 Coffee-Sylvan	16.1	86
12 Standiford	1.0	5
13 Floyd	0.2	1
14 Northwest Central	1.5	7
15 Roosevelt	2.5	7
16 Enslen-Junior College	1.9	11
17 East McHenry	2.9	21
18 High	1.2	6
19 Muir	0.7	5
20 Rose Park	10.9	48
21 East Orangeburg	1.7	6
22 Scenic East	0.6	2
23 La Loma	4.3	14
24 East La Loma	0.6	5
25 Riverside	0.6	4
26 Airport	6.4	30
27 Woodland	10.0	58
29 Maze-Wren	2.0	10
31 Twain	4.5	16
32 Near West Side	4.9	27
34 Burbank	4.1	27
35 Bellenita	11.4	90
36 Fairway	4.0	13
37 Fairview	6.9	41
38 Bret Harte	44.9	300
39 Shackelford	4.5	19
42 Downtown	0.4	3
45 Tidewater Industrial	3.2	4
50 Lakewood	13.7	71
51 Orchard	3.7	24
54 Pelandale	54.0	92
55 McKinney Colony	9.5	35
67 Yosemite	34.1	244
72 Lakewood East	12.4	59
TOTAL	292.7	1,447

7.3 REFERENCES

Persons and or /agencies contacted:

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Pope Development

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Camera Bonsack
The Sunshine Place

Linda Avedon
United Way

HOUSING ELEMENT LAW
(As of January 1, 1992)

Article 10.6. Housing Elements

65580. The Legislature finds and declares as follows:

(a) The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

(b) The early attainment of this goal requires the cooperative participation of government and the private sector in an effort to expand housing opportunities and accommodate the housing needs of Californians of all economic levels.

(c) The provision of housing—affordable to low-and moderate-income households requires the cooperation of all levels of government.

(d) Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

(e) The Legislature recognizes that in carrying out this responsibility, each local government also has the responsibility to consider economic, environmental, and fiscal factors and community goals set forth in the general plan and to cooperate with other local governments and the state in addressing regional housing needs.

(Added by Stats. 1980, Ch. 1143.)

65581. It is the intent of the Legislature in enacting this article:

(a) To assure that counties and cities recognize their responsibilities in contributing to the attainment of the state housing goal.

(b) To assure that counties and cities will prepare and implement housing elements which, along with federal and state programs, will move toward attainment of the state housing goal.

(c) To recognize that each locality is best capable of determining what efforts are required by it to contribute to the attainment of the state housing goal, provided such a determination is compatible with the state housing goal and regional housing needs.

(d) To ensure that each local government cooperates with other local governments in order to address regional housing needs.

(Added by Stats. 1980, Ch. 1143.)

65582. As used in this article:

(a) "Community," "locality," "local government," or "jurisdiction," means a city, city and county, or county.

(b) "Council of governments" means a single or multicounty council created by a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 1 of Title 1.

(c) "Department" means the Department of Housing and Community Development.

(d) "Housing element" or "element" means the housing element of the community's general plan, as required pursuant to this article and subdivision (c) of Section 65302.

(e) "Low- and moderate-income households" means persons and families of low or moderate incomes as defined by section 50093 of the Health and Safety Code.

(Added by Stats. 1980, Ch. 1143., Amended by Stats. 1989, Ch. 1140. Amended by Stats. 1990, Ch. 1441.)

65583. The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes, and shall make adequate provision for the existing and projected needs of all economic segments of the community. The element shall contain all of the following:

(a) An assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs. The assessment and inventory shall include the following:

(1) An analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels. These existing and projected needs shall include the locality's share of the regional housing need in accordance with Section 65584.

(2) An analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition.

(3) An inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites.

(4) An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures.

(5) An analysis of potential and actual nongovernmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the availability of financing, the price of land, and the cost of construction.

(6) An analysis of any special housing needs, such as those of the handicapped, elderly, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.

(7) An analysis of opportunities for energy conservation with respect to residential development.

(8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to replace the units that could change from low-income use, and an estimated cost of preserving the assisted housing developments. This cost analysis for replacement housing may be done aggregately for each five-year period and does not have to contain a project by project cost estimate.

(C) The analysis shall identify public and private nonprofit corporations known to the local government which have legal and managerial capacity to acquire and manage these housing developments.

(D) The analysis shall identify and consider the use of all federal, state, and local financing and subsidy programs which can be used to preserve, for lower income households, the assisted housing developments, identified in this paragraph, including, but not limited to, federal Community Development Block Grant Program funds, tax increment funds received by a redevelopment agency of the community, and administrative fees received by a housing authority operating within the community. In considering the use of these financing and subsidy programs, the analysis shall identify the amounts of funds under each available program which have not been legally obligated for other purposes and which could be available for use in preserving assisted housing developments.

(b) (1) A statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing.

(2) It is recognized that the total housing needs identified pursuant to subdivision (a) may exceed available resources and the community's ability to satisfy this need within the content of the general plan requirements outlined in Article 5 (commencing with Section 65300). Under these circumstances, the quantified

objectives need not be identical to the total housing needs. The quantified objectives shall establish the maximum number of housing units by income category that can be constructed, rehabilitated, and conserved over a five-year time period.

(c) A program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available and the utilization of moneys in a Low and Moderate Income Housing Fund of an agency if the locality has established a redevelopment project area pursuant to the Community Redevelopment Law (Division 24 (commencing with Section 33000) of the Health and Safety Code). In order to make adequate provision for the housing needs of all economic segments of the community, the program shall do all of the following:

(1) Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, emergency shelters, and transitional housing in order to meet the community's housing goals as identified in subdivision (b). Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low and low-income households. For purposes of this paragraph, the phrase "use by right" shall mean the use does not require a conditional use permit, except when the proposed project is a mixed-use project involving both commercial and residential uses. Use by right for all rental multifamily residential housing shall be provided in accordance with subdivision (f) of Section 65589.5.

(2) Assist in the development of adequate housing to meet the needs of low- and moderate-income households.

(3) Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

(4) Conserve and improve the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action.

(5) Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.

(6) (A) Preserve for lower income households the assisted housing developments identified pursuant to paragraph (8) of subdivision (a). The program for preservation of the assisted housing developments shall utilize, to the extent necessary, all available federal, state, and local financing and subsidy programs identified in paragraph (8) of subdivision (a), except where a community has other urgent needs for which alternative funding sources are not available. The program may include strategies that involve local regulation and technical assistance.

(B) The program shall include an identification of the agencies and officials responsible for the implementation of the various actions and the means by which consistency will be achieved with other general plan elements and community goals. The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.

(d) The analysis and program for preserving assisted housing developments required by the amendments to this section enacted by the Statutes of 1989 shall be adopted as an amendment to the housing element by July 1, 1992.

(e) Failure of the department to review and report its findings pursuant to Section 65585 to the local government between July 1, 1992, and the next periodic review and revision required by Section 65588, concerning the housing element amendment required by the amendments to this section by the Statutes of 1989, shall not be used as a basis for allocation or denial of any housing assistance administered pursuant to Part 2 (commencing with Section 50400) of Division 31 of the Health and Safety Code.

(Amended by Stats. 1984, Ch. 1691, § 3, eff. Sept 30, 1984; Amended by Stats. 1986, Ch. 1383, § 2; Amended by Stats. 1989, Ch. 1140, § 2; Amended by Stats. 1989, Ch. 1451, § 1.5; Amended by Stats. 1991, Ch. 730 (A.B. 1929), § 1; Amended by Stats. 1991, Ch. 889 (S.B. 1019), § 2.)

Note: Stats. 1984, Ch. 1691, also reads:

SEC. 1. The Legislature finds and declares that because of economic, physical, and mental conditions that are beyond their control, thousands of individuals and families in California are homeless. Churches, local governments, and nonprofit organizations providing assistance to the homeless have been overwhelmed by a new class of homeless: families with children, individuals with employable skills, and formerly middle-class families and individuals with long work histories.

The programs provided by the state, local, and federal governments, and by private institutions, have been unable to meet existing needs and further action is necessary. The Legislature finds and declares that two levels of housing assistance are needed: an emergency fund to supplement temporary shelter programs, and a fund to facilitate the preservation of existing housing and the creation of new housing units affordable to very low income households. It is in the public interest for the State of California to provide this assistance.

The Legislature further finds and declares that there is a need for more information on the numbers of homeless and the causes of homelessness, and for systematic exploration of more comprehensive solutions to the problem. Both local and state government have a role to play in identifying, understanding, and devising solutions to the problem of homelessness.

Note: Stats. 1986, Ch. 1383, also reads:

SEC. 3. The amendments to paragraph (1) of subdivision (c) of Section 65583 of the Government Code made by the act adding this section during the 1986 Regular Session of the Legislature shall require an identification of sites for emergency shelters and transitional housing by January 1, 1988, or by the next periodic review of a housing element pursuant to Section 65588 of the Government Code, whichever is later, in order to give local governments adequate time to plan for, and to assist in the development of, housing for homeless persons, if it is determined that there is a need for emergency shelter pursuant to paragraph (6) of subdivision (a) of Section 65583 of the Government Code.

Note: Stats. 1991, Ch. 889, also reads:

SEC. 5. The additional requirements and duties created by Sections 1, 2, and 4 of this act shall be applicable upon the next amendment or periodic review of the housing element by the legislative body.

65584. (a) For purposes of subdivision (a) of Section 65583, the share of a city or county of the regional housing needs includes that share of the housing need of persons at all income levels within the area significantly affected by a general plan of the city or county. The distribution of regional housing needs shall, based upon available data, take into consideration market demand for housing, employment opportunities, the availability of suitable sites and public facilities, commuting patterns, type and tenure of housing need, the loss of units contained in assisted housing developments, as defined in paragraph (8) of subdivision (a) of Section 65583, that changed to non-low-income use through mortgage prepayment, subsidy contract expirations, or termination of use restrictions, and the housing needs of farmworkers. The distribution shall seek to reduce the concentration of lower income households in cities or counties which already have disproportionately high proportions of lower income households. Based upon data provided by the Department of Finance, in consultation with each council of government, the Department of Housing and Community Development shall determine the regional share of the statewide housing need at least two years prior to the second revision, and all subsequent revisions as required pursuant to Section 65588. Based upon data provided by the department relative to the statewide need for housing, each council of governments shall determine the existing and projected housing need for its region. Within 30 days following notification of this determination, the department shall ensure that this determination

is consistent with the statewide housing need. The department may revise the determination of the council of governments if necessary to obtain this consistency. The appropriate council of governments shall determine the share for each city or county consistent with the criteria of this subdivision and with the advice of the department subject to the procedure established pursuant to subdivision (c) at least one year prior to the second revision, and at five-year intervals following the second revision pursuant to Section 65588. The council of governments shall submit to the department information regarding the assumptions and methodology to be used in allocating the regional housing need. As part of the allocation of the regional housing need, the council of governments, or the department pursuant to subdivision (b), shall provide each city and county with data describing the assumptions and methodology used in calculating its share of the regional housing need. The department shall submit to each council of governments information regarding the assumptions and methodology to be used in allocating the regional share of the statewide housing need. As part of its determination of the regional share of the statewide housing need, the department shall provide each council of governments with data describing the assumptions and methodology used in calculating its share of the statewide housing need. The councils of governments shall provide each city and county with the department's information.

(b) For areas with no council of governments, the department shall determine housing market areas and define the regional housing need for cities and counties within these areas pursuant to the provisions for the distribution of regional housing needs in subdivision (a). Where the department determines that a city or county possesses the capability and resources and has agreed to accept the responsibility, with respect to its jurisdiction, for the identification and determination of housing market areas and regional housing needs, the department shall delegate this responsibility to the cities and counties within these areas.

(c) (1) Within 90 days following a determination of a council of governments pursuant to subdivision (a), or the department's determination pursuant to subdivision (b), a city or county may propose to revise the determination of its share of the regional housing need in accordance with the considerations set forth in subdivision (a). The proposed revised share shall be based upon available data and accepted planning methodology, and supported by adequate documentation.

(2) Within 60 days after the time period for the revision by the city or county, the council of governments or the department, as the case may be, shall accept the proposed revision, modify its earlier determination, or indicate, based upon available data and accepted planning methodology, why the proposed revision is inconsistent with the regional housing need.

(A) If the council of governments or the department, as the case may be, does not accept the proposed revision, then the city or county shall have the right to request a public hearing to review the determination within 30 days.

(B) The city or county shall be notified within 30 days by certified mail, return receipt requested, of at least one public hearing regarding the determination.

(C) The date of the hearing shall be at least 30 days from the date of the notification.

(D) Before making its final determination, the council of governments or the department, as the case may be, shall consider comments, recommendations, available data, accepted planning methodology, and local geological and topographic restraints on the production of housing.

(3) If the council of governments or the department accepts the proposed revision or modifies its earlier determination, the city or county shall use that share. If the council of governments or the department grant a revised allocation pursuant to paragraph (1), the council of governments or the department shall ensure that the current total housing need is maintained. If the council of governments or department indicates that the proposed revision is inconsistent with the regional housing need, the city or county shall use the share which was originally determined by the council of governments or the department.

(4) The determination of the council of governments or the department, as the case may be, shall be subject to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

(5) The council of governments or the department shall reduce the share of regional housing needs of a county if all of the following conditions are met:

(A) One or more cities within the county agree to increase its share its share or their shares in an amount which will make up for the reduction.

(B) The transfer of shares shall only occur between a county and cities within that county.

(C) The county's share of low-income and very low income housing shall be reduced only in proportion to the amount by which the county's share of moderate- and above moderate-income housing is reduced.

(D) The council of governments or the department, whichever assigned the county's share, shall have authority over the approval of the proposed reduction, taking into consideration the criteria of subdivision (a) of Section 65584.

(6) The housing element shall contain an analysis of the factors and circumstances, with all supporting data, justifying the revision. All materials and data used to justify any revision shall be made available upon request by any interested party within seven days upon payment of reasonable costs of reproduction unless the costs are waived due to economic hardship.

(d)(1) Except as provided in paragraph (2), any ordinance, policy, or standard of a city or county which directly limits, by number, the building permits which may be issued for residential construction, or which limits for a set period of time the number of buildable lots which may be developed for residential purposes, shall not be a justification for a determination or a reduction in the share of a city or county of the regional housing need.

(2) Paragraph (1) does not apply to any city or county which imposes a moratorium on residential construction for a set period of time in order to preserve and protect the public health and safety. If a moratorium is in effect, the city or county shall, prior to a revision pursuant to subdivision (c), adopt findings which specifically describe the threat to the public health and safety and the reasons why construction of the number of units specified as its share of the regional housing need would prevent the mitigation of that threat.

(e) Any authority to review and revise the share of a city or county of the regional housing need granted under this section shall not constitute authority to revise, approve, or disapprove the manner in which the share of the city or county of the regional housing need is implemented through its housing program.

(f) A fee may be charged interested parties for any additional costs caused by the amendments made to subdivision (c) by Chapter 1684 of the Statutes of 1984 reducing from 45 to seven days the time within which materials and data shall be made available to interested parties.

(g) Determinations made by the department, a council of governments, or a city or county pursuant to this section are exempt from the provisions of the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

(Amended by Stats. 1984, Ch. 1684, Amended Stats. 1989, Ch. 1451. Amended Stats. 1990, Ch. 1441)

65585. (a) In preparation of its housing element, each city and county shall consider the guidelines adopted by the department pursuant to Section 50459 of the Health and Safety Code. Those guidelines shall be advisory to each city or county in the preparation of its housing element.

(b) At least 90 days prior to adoption of its housing element, or at least 45 days prior to the adoption of an amendment to this element, the planning agency shall submit a draft element or draft amendment to the department. The department shall review the draft and report its written findings to the planning agency within 90 days of its receipt of the draft in the case of an adoption or within 45 days of its receipt in the case of a draft amendment.

(c) In the preparation of its findings, the department may consult with any public agency, group, or person. The department shall receive and consider any written comments from any public agency, group, or person regarding the draft or adopted element or amendment under review.

(d) In its written findings, the department shall determine whether the draft element or draft amendment substantially complies with the requirements of this article.

(e) Prior to the adoption of its draft element or draft amendment, the legislative body shall consider the findings made by the department. If the department's findings are not available within the time limits set by this section, the legislative body may act without them.

(f) If the department finds that the draft element or draft amendment does not substantially comply with the requirements of this article, the legislative body shall take one of the following actions:

(1) Change the draft element or draft amendment to substantially comply with the requirements of this article.

(2) Adopt the draft element or draft amendment without changes. The legislative body shall include in its resolution of adoption written findings which explain the reasons the legislative body believes that the draft element or draft amendment substantially complies with the requirements of this article despite the findings of the department.

(g) Promptly following the adoption of its element or amendment, the planning agency shall submit a copy to the department.

(h) The department shall, within 120 days, review adopted housing elements or amendments and report its findings to the planning agency.

(Amended by Stats. 1983, Ch. 1250 [effective January 1, 1984]; Stats. 1984, Ch. 1009, Amended Stats. 1990, Ch. 1441)

65586. Local governments shall conform their housing elements to the provisions of this article on or before October 1, 1981. Jurisdictions with housing elements adopted before October 1, 1981, in conformity with the housing element guidelines adopted by the Department of Housing and Community Development on December 7, 1977, and located in Subchapter 3 (commencing with Section 6300) of Chapter 6 of Part 1 of Title 25 of the California Administrative Code [repealed in 1982], shall be deemed in compliance with this article as of its effective date. A locality with a housing element found to be adequate by the department before October 1, 1981, shall be deemed in conformity with these guidelines.
(Added by Stats. 1980, Ch. 1143.)

65587. (a) Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981, and the deadlines set by section 65588. Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements.

(b) Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the housing element or portion thereof or revision thereto substantially complies with the requirements of this article.

(c) If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county,

or city and county shall bring its action into compliance within 60 days. However the court shall retain jurisdiction through out the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an addition 60 days.

(Amended by Stats. 1984, Ch. 1009. Amended Stats. 1990, Ch. 1441)

Note: Stats. 1984, Ch. 1009, also reads:

SEC. 44. It is the intent of the Legislature that the term "substantially complies," as used in subdivision (b) of Section 65587, be given the same interpretation as was given that term by the court in *Camp v. Board of Supervisors*, 123 Cal. App. 3d. 334, 348, [176 Cal. Rptr. 620, 629].

65587.1. (a) The Legislature finds and declares that local policies and programs which increase housing opportunities through a tax-exempt revenue bond program or through a requirement that the approval of a housing related project be tied to the provision of assistance for housing are consistent with the intent of this article. The Legislature further finds and declares that actions which have the effect of impeding or halting such policies and programs or the direct production of housing run contrary to the goals of increased housing opportunities and balanced commercial and residential development embodied in this article.

(b) Notwithstanding any other provision of law, neither a mortgage revenue bond program subject to subdivision (b) of Section 52053.5 of the Health and Safety Code nor a local approval, made prior to May 1, 1983, of a housing related project shall be invalidated due to the failure or alleged failure of a city and county to comply with this article, subdivision (c) of Section 65302 of the Government Code, or any regulations or guidelines adopted pursuant thereto, or any other provision of law require consistency with the housing element of a local general plan. For purposes of this section, a "housing related project" means (a) a residential project or (b) a nonresidential project, the local approval of which was conditioned upon the nonresidential developer (1) developing or rehabilitating or causing to be developed or rehabilitated housing units, or (2) providing funds for the development or rehabilitation of housing units, or (3) investing in a mortgage revenue bond program subject to subdivision (b) of Section 52053.5 of the Health and Safety Code, under a formula or guidelines adopted by the planning commission or local governing body of the city and county. For purposes of this section, "housing related project" shall not include a project, the construction or development of which requires either the demolition or conversion of low- or moderate-rental residential units and local approval of which does not provide for the replacement of such units and for the maintenance in such units of rents affordable for low- and moderate-income persons for a period of not less than 20 years.

(Added by Stats. 1982, Ch. 312. Effective June 28, 1982.)

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

In order to facilitate effective review by the department of housing elements, local governments following shall prepare and adopt the first two revisions of their housing elements no later than the dates specified in the following schedule, notwithstanding the date of adoption of the housing elements in existence on the effective date of the act which amended this section during the 1983-84 session of the Legislature.

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: July 1, 1984, for the first revision and July 1, 1989, for the second revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: January 1, 1985, for the first revision, and July 1, 1990, for the second revision.

(3) Local governments within the regional jurisdiction of the San Diego Association of Governments, the Council of Fresno County Governments, the Kern County Council of Governments, the Sacramento Council of Governments, and the Association of Monterey Bay Area Governments: July 1, 1985, for the first revision, and July 1, 1991, for the second revision.

(4) All other local governments: January 1, 1986, for the first revision, and July 1, 1992, for the second revision.

(5) Subsequent revisions shall be completed not less often than at five-year intervals following the second revision.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing which has been provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1992.

(2) The number of housing units for persons and families of low income or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the Coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.
(Amended by Stats. 1984, Ch. 208. Effective June 20, 1984)

65588.5. A copy of the report required by subdivision (b) of Section 65400 shall be submitted to the Department of Housing and Community Development within 30 days after receipt by the legislative body. [Section 65400 is included at the end of this document]

(Added by Stats. 1991, Ch. 889 (S.B. 1019), § 3.

65589. (a) Nothing in this article shall require a city, county, or city and county to do any of the following:

(1) Expend local revenues for the construction of housing, housing, housing subsidies, or land acquisition.

(2) Disapprove any residential development which is consistent with the general plan.

(b) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government to impose rent controls or restrictions on the sale of property.

(c) Nothing in this article shall be construed to be a grant of authority or a repeal of any authority which may exist of a local government with respect to measures that may be undertaken or required by a local government to be undertaken to implement the housing element of the local general plan.

(d) The provisions of this article shall be construed consistent with, and in promotion of, the statewide goal of a sufficient supply of decent housing to meet the needs of all Californians.

(Added by Stats. 1980, Ch. 1143.)

65589.3. In any action filed on or after January 1, 1991, taken to challenge the validity of a housing element, there shall be a rebuttable presumption of the validity of the element or amendment if, pursuant to Section 65585, the department has found that the element or amendment substantially complies with the requirements of this article.

(Added by Stats. 1990, Ch. 1441)

65589.5. (a) The Legislature finds all of the following:

(1) The Lack of affordable housing is a critical problem which threatens the economic, environmental, and social quality of life in California.

(2) California housing has become the most expensive in the nation. The excessive cost of the state's housing supply is partially caused by activities and policies of many local governments which limit the approval of affordable housing, increase the cost of land for affordable housing, and require that high fees and exactions be paid by producers of potentially affordable housing.

(3) Among the consequences of these actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration.

(4) Many local governments do not give adequate attention to the economic, environmental, and social costs of decisions which result in disapproval of affordable housing projects, reduction in density of affordable housing projects, and excessive standards for affordable housing projects.

(b) It is the policy of the state that a local government not reject or make infeasible affordable housing developments which contribute to meeting the housing need determined pursuant to this article without a thorough analysis of the economic, social, and environmental effects of the action and without meeting the provisions of subdivision (c).

(c) The Legislature also recognizes that premature and unnecessary development of agriculture lands to urban uses continues to have adverse effects on the availability of such lands for food and fiber production and on the economy of the state. Furthermore, it is the policy of the state that development should be guided away from prime agricultural lands; therefore, in implementing this section, local jurisdictions should encourage, to the maximum extent practicable, infilling existing urban areas.

(d) A local agency shall not disapprove a housing development project affordable to low- and moderate-income households or condition approval in a manner which renders the project infeasible for development for use of low- and moderate-income households unless it finds, based upon substantial evidence, one of the following:

(1) The jurisdiction has adopted a housing element pursuant to this article and the development project is not needed for the jurisdiction to meet its share of the regional housing need of low-income housing.

(2) The development project as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households.

(3) The denial of the project or imposition of conditions is required in order to comply with specific state or federal law, and there is no feasible method to comply without rendering the development unaffordable to low- and moderate-income households.

(4) Approval of the development project would increase the concentration of lower income households in a neighborhood that

already has a disproportionately high number of lower income households and there is no feasible method of approving the development at a different site, including those sites identified pursuant to paragraph (1) of subdivision (c) of Section 65583, without rendering the development unaffordable to low- and moderate-income households.

(5) The development project is proposed on land zoned for agricultural or resource preservation which is surrounded on at least two sides by land being used for agricultural or resources preservation purposes, or which does not have adequate water or wastewater facilities to serve the project.

(6) The development project is inconsistent with the jurisdiction's general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete, and the jurisdiction has adopted a housing element pursuant to this article.

(e) Nothing in this section shall be construed to relieve the local agency from complying with the provisions of the Congestion Management Program required by Chapter 2.6 (commencing with Section 65088) of Division 1 of Title 7 of the Government Code or the provisions of the California Coastal Act, Division 20 (commencing with Section 30000) of the Public Resources Code. Neither shall anything in this section be construed to relieve the local agency from making one or more of the findings required pursuant to Section 21081 of the Public Resources Code or otherwise complying with the Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code.

(f) Nothing in this section shall be construed to prohibit a local agency from requiring the development project to comply with development standards and policies appropriate to and consistent with meeting the quantified objectives relative to the development of housing, as required in the housing element pursuant to subdivision (b) of Section 65583. Nor shall anything in this section be construed to prohibit a local agency from imposing fees and other exactions otherwise authorized by law which are essential to provide necessary public services and facilities to the development project.

(g) This section shall be applicable to charter cities, because the Legislature finds that the lack of affordable housing is a critical statewide problem.

(h) The following definitions apply for the purposes of this section:

(1) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time taking into account economic, environmental, social, and technological factors.

(2) "Affordable to low- and moderate-income households" means at least 20 percent of the total units shall be sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, and the remaining units shall be sold or rented to either lower income households or persons and families of moderate income as defined in Section 50093 of the Health and Safety Code. Housing units targeted for lower income households

shall be made available at a monthly housing cost that does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with adjustment factors on which the lower income eligibility limits are based. Housing units targeted for persons and families of moderate income shall be made available at a monthly housing cost that does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate income eligibility limits are based. "Area median income" shall mean area median income as periodically established by the Department of Housing and Community Development pursuant to Section 50093 of the Health and Safety Code. The developer shall provide sufficient legal commitments to ensure continued availability of units for the lower income households in accordance with the provisions of this subdivision for 30 years.

(3) "Neighborhood" means a planning area commonly identified as such in a community's planning documents, and identified as a neighborhood by the individuals residing and working within the neighborhood. Documentation demonstrating that the area meets the definition of neighborhood may include a map prepared for planning purposes which lists the name and boundaries of the neighborhood.

(i) If any city, county, or city and county denies approval or imposes restrictions, including a reduction of allowable densities or the percentage of a lot which may be occupied by a building or structure under the applicable planning and zoning in force at the time the application is deemed complete pursuant to Section 65943, which have a substantial adverse effect on the viability or affordability of a housing development affordable to low- and moderate-income households, and the denial of the development or the imposition of restrictions on the development is the subject of a court action which challenges the denial, then the burden of proof shall be on the local legislative body to show that its decision is consistent with the findings as described in subdivisions (c).

(j) When a proposed housing development project complies with the applicable general plan, zoning, development policies in effect at the time that the housing development project's application is determined to be complete, but the local agency proposes to disapprove the project or to approve it upon the condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed housing development project upon written findings supported by substantial evidence on the record that both of the following conditions exist:

(1) The housing development project would have a specific adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density.

(2) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

(Added by Stats. 1982, Ch. 1438, Amended by Stats. 1990, Ch. 1439)

65589.6. In any action taken to challenge the validity of a decision by a city, county, or city and county to disapprove a project or approve a project upon the condition that it be developed at a lower density pursuant to Section 65589.5, the city, county, or city and county shall bear the burden of proof that its decision has conformed to all of the conditions specified in Section 65589.5.

(Added by Stats. 1984, Ch. 1104.)

65589.7. The housing element adopted by the legislative body and any amendments made to that element shall be delivered to all special districts that provide water services at retail or sewer services and to other private entities that provide water services at retail or sewer services within the territory of the legislative body. When allocating or making plans for the allocation of available and future resources or services designated for residential use, each special district providing water services at retail or sewer services and other private entities providing water services at retail or sewer services, shall grant a priority for the provision of these available and future resources or services to proposed housing developments which help meet the city's, county's, or city and county's share of the regional housing need for lower income households as identified in the housing element adopted by the legislative body and any amendments made to that element. This section is intended to neither enlarge nor diminish the existing authority of a city, county or city and county in adopting a housing element. Failure to deliver a housing element adopted by the legislative body or amendments made to that element, to a special district or private entity providing water services at retail or sewer services shall not invalidate any action or approval of a development project. The special districts which provide water services at retail or sewer services related to development, as defined in subdivision (e) of Section 56426, are included within this section.

As used in this section, "water services at retail" means supplying water directly to the end user or consumer of that water, and does not include sale by a water supplier to another water supplier for resale.

(Added by Stats. 1991, Ch. 889 (S.B. 1019), § 4.

NOTE: Stats. 1991, Ch. 889 (S.B. 1019), also reads:
SEC. 5. The additional requirements and duties created by Sections 1, 2, and 4 of this act shall be applicable upon the next amendment or periodic review of the housing element by the legislative body.

65589.8.

A local government which adopts a requirement in its housing element that a housing development contain a fixed percentage of affordable housing units, shall permit a developer to satisfy all or portion of that requirement by constructing rental housing at affordable monthly rents, as determined by local government.

Nothing in this section shall be construed to expand or contract the authority of a local government to adopt an ordinance, charter amendment, or policy requiring that any housing development contain a fixed percentage of affordable housing units.

(Added by Stats. 1983, Ch. 787.)

Health and Safety Code

50459. (a) The department may adopt, and from time to time revise, guidelines for the preparation of housing elements required by Section 65302 and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(b) The department shall review housing elements and amendments for substantial compliance with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code and report its findings pursuant to Section 65585 of the Government Code.

(c) On or before December 31, 1991, and annually thereafter, the department shall report to the Legislature on the status of housing elements and the extent to which they comply with the requirements of Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. The department shall also make this report available to any other public agency, group, or person who requests a copy.

(d) The department may, in connection with any loan or grant application submitted to the agency, require submission to the department for review of any housing element and any local housing assistance plan adopted pursuant to the Housing and Community Development Act of 1974 (Public Law 93-383) [42 U.S.C.A. Section 5301 et. seq.]

(Added by Stats. 1977, Ch. 610, Amended by Stats. 1983, Ch. 101, Amended by Stats. 1985, Ch. 675, Amended by Stats. 1990, Ch. 1441.)

General Plan Law

65400. After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:

(a) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating

to the subjects addressed in the general plan.

(b) Provide an annual report to the legislative body on the status of the plan and progress in its implementation, including the progress in meeting its share of regional housing needs determined pursuant to Section 65584.

(Amended by Stats. 1984, Ch. 690, § 5.5; Stats. 1984, Ch. 1009, § 14; Stats. 1990, Ch. 1441 (S.B. 2274), § 2.)

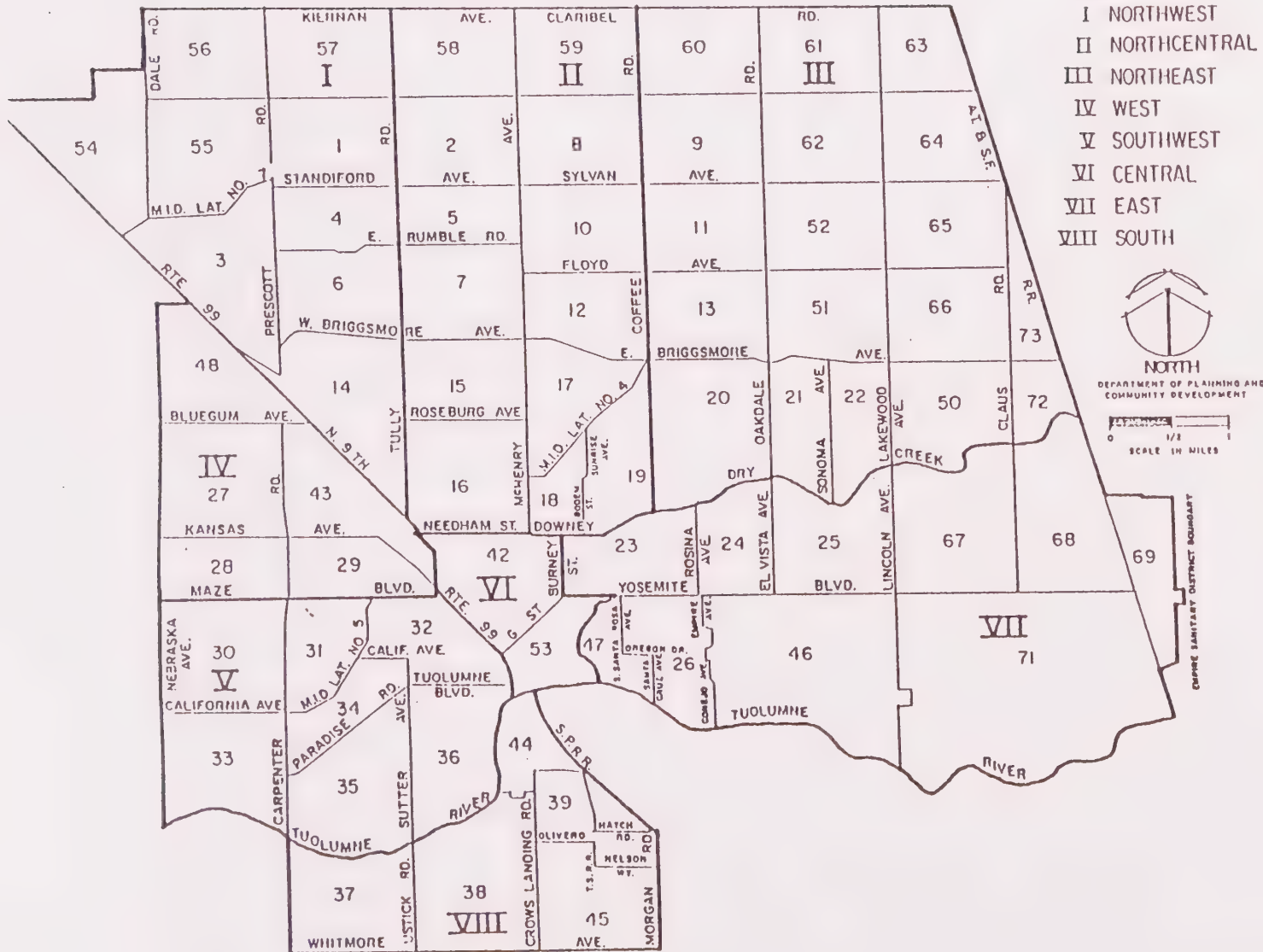
MODESTO PLANNING AREAS

MAJOR AREAS

- I NORTHWEST
- II NORTHCENTRAL
- III NORTHEAST
- IV WEST
- V SOUTHWEST
- VI CENTRAL
- VII EAST
- VIII SOUTH

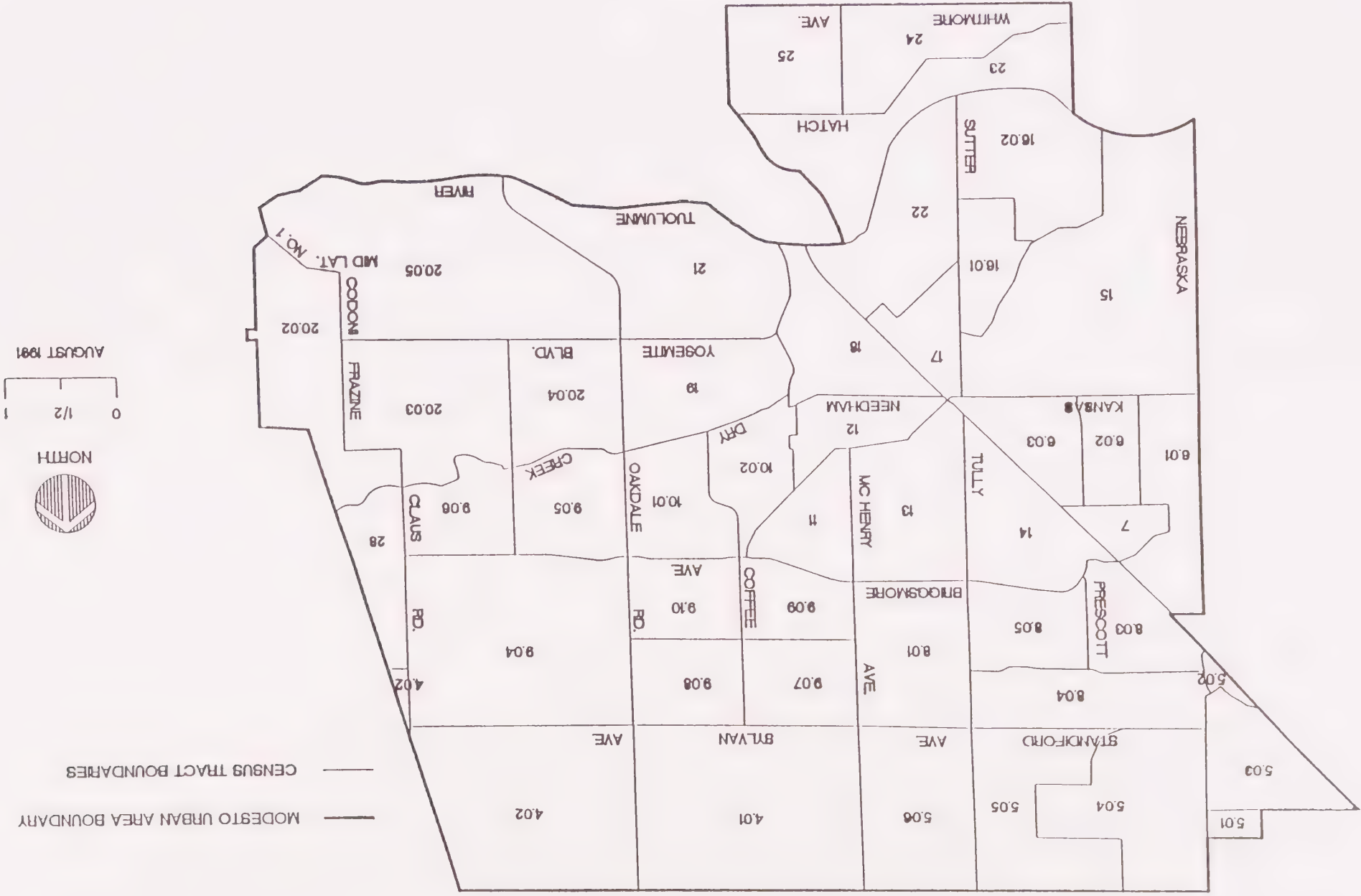
NEIGHBORHOODS

- | | |
|-------------------|--------------------------|
| 1 AQUEDUCT | 38 BRET HARTE |
| 2 M.W. MC HENRY | 39 SHACKELFORD |
| 3 CHRYSLER - 99 | 40 (DISCONTINUED) |
| 4 GOLDSWORTHY | 41 (DISCONTINUED) |
| 5 WOODROW | 42 DOWNTOWN |
| 6 HUNCY-EVERETT | 43 M. 99 INDUSTRIAL |
| 7 BEARD | 44 S. 99 INDUSTRIAL |
| 8 M.E. MC HENRY | 45 TIDEWATER INDUSTRIAL |
| 9 BEYER | 46 BEARD INDUSTRIAL WEST |
| 10 SHERWOOD | 47 GALLO |
| 11 COFFEE-SYLVAN | 48 COLLEGE WEST |
| 12 STANDIFORD | 49 (DISCONTINUED) |
| 13 FLOYD | 50 LAKEWOOD |
| 14 M.W. CENTRAL | 51 ORCHARD |
| 15 ROOSEVELT | 52 ROSELLE |
| 16 ENSLEM-J.C. | 53 CENTRAL INDUSTRIAL |
| 17 E. MC HENRY | 54 PELAMDALE |
| 18 HIGH | 55 MC KIMNEY COLONY |
| 19 MUJR | 56 MORROW |
| 20 ROSE PARK | 57 STANISLAUS |
| 21 E. ORANGEBURG | 58 KIERNAH |
| 22 SCENIC EAST | 59 CLARIBEL |
| 23 LA LOMA | 60 HETCH HETCHY |
| 24 E. LA LOMA | 61 OAKDALE |
| 25 RIVERSIDE | 62 MAPLE |
| 26 AIRPORT | 63 PLAINVIEW |
| 27 WOODLAND | 64 SANTA FE |
| 28 W. MAZE | 65 CLAUD |
| 29 MAZE-VREM | 66 MEHLE |
| 30 VINEYARD | 67 YOSEMITE |
| 31 TWAIN | 68 EMPIRE WEST |
| 32 NEAR WEST SIDE | 69 EMPIRE EAST |
| 33 PARADISE WEST | 70 (DISCONTINUED) |
| 34 BURBANK | 71 BEARD INDUSTRIAL EAST |
| 35 BELLENITA | 72 LAKEWOOD EAST |
| 36 FAIRWAY | 73 MEHLE EAST |
| 37 FAIRVIEW | |



MAP 1
MODESTO URBAN AREA - 1990 CENSUS TRACTS

MODESTO URBAN AREA BOUNDARY
CENSUS TRACT BOUNDARIES



BOUNDARIES OF THE MODESTO URBAN AREA and CITY OF MODESTO

LEGEND

— MODESTO URBAN AREA
BOUNDARY

— MODESTO CITY LIMITS



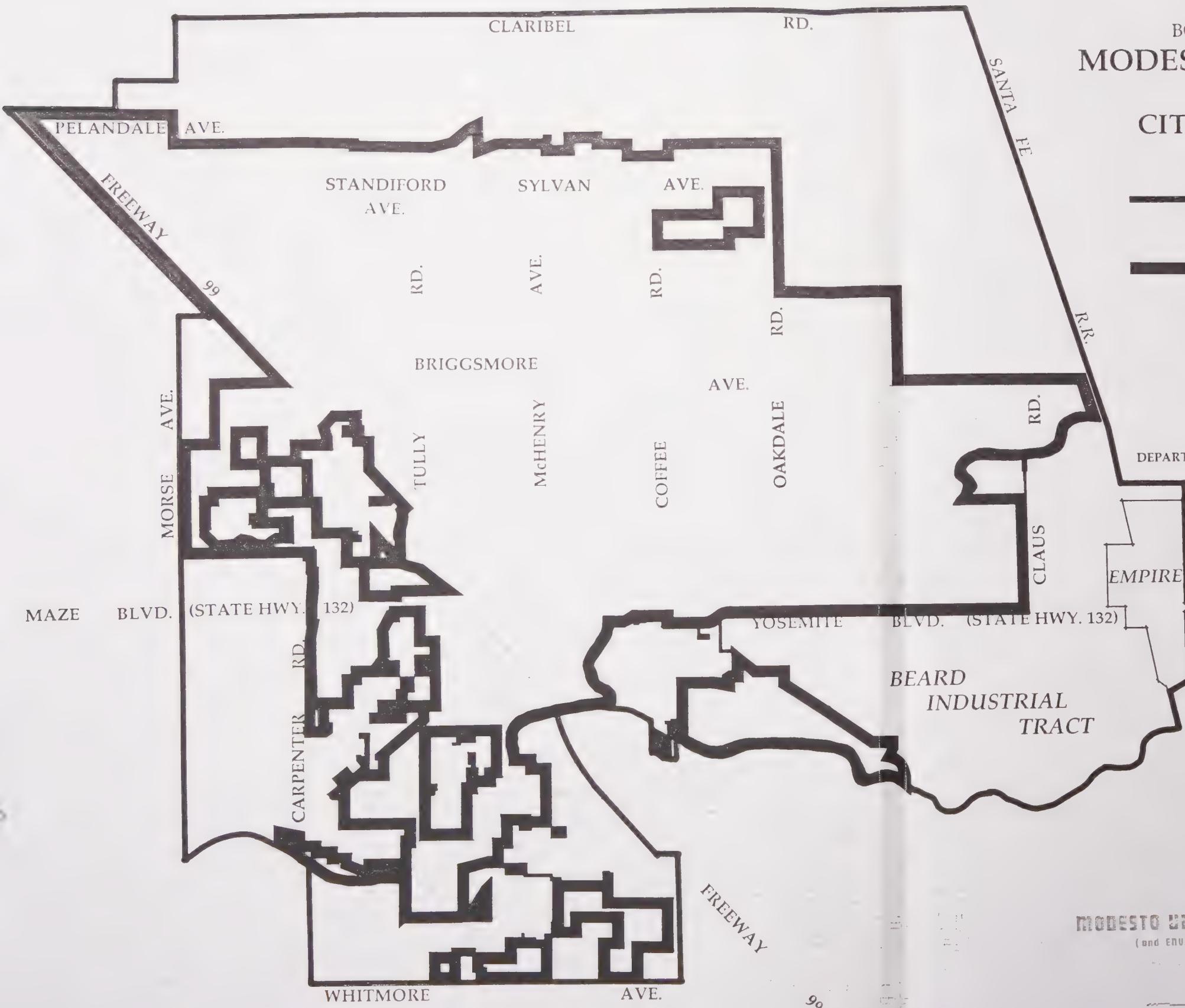
NORTH

SCALE IN MILES

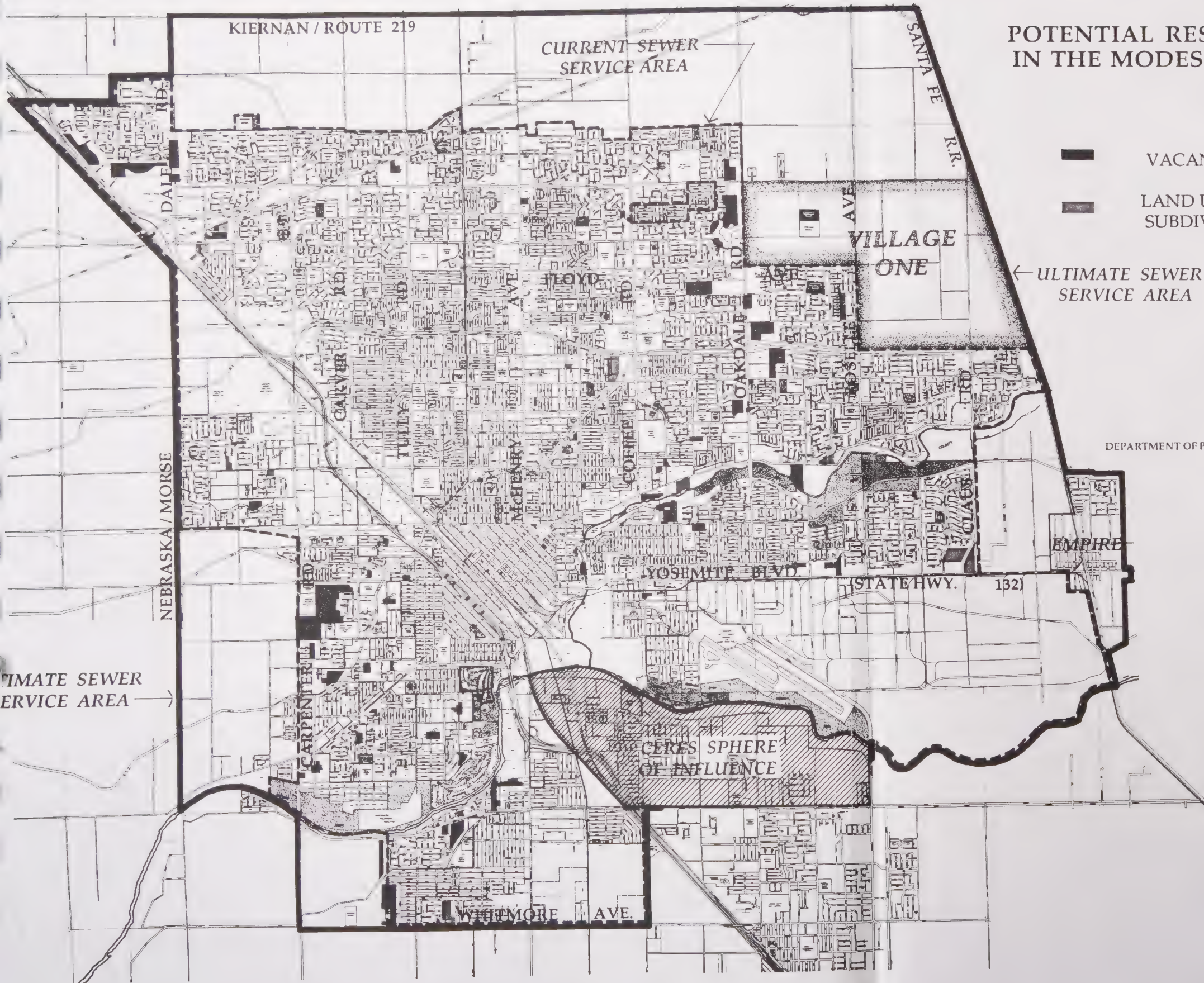
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JULY 1991

CITY OF MODESTO
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT



MODESTO URBAN AREA
(and environs)



POTENTIAL RESIDENTIAL LAND IN THE MODESTO URBAN AREA

LEGEND

- VACANT RESIDENTIAL LAND
- LAND UPON WHICH A TENTATIVE
SUBDIVISION MAP IS OUTSTANDING

← ULTIMATE SEWER
SERVICE AREA



SCALE IN MILES
0 1/2 1

OCTOBER 1991

CITY OF MODESTO
DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

Appendix B.

1992 Housing Element

MODESTO URBAN AREA GENERAL PLAN

HOUSING ELEMENT

MAY 1992



DEPARTMENT OF PLANNING and COMMUNITY DEVELOPMENT
CITY OF MODESTO

Modesto City Council

Mayor Richard Lang

Charles Bird

David Cogdill

Stan Dobbs

Kenni Friedman, Vice Mayor

Frank Muratore

Richard Patterson

Modesto Planning Commission

Jan Smith, Chair

Jesse Alexander, Vice Chair

Fred Cruz

Robert Dunbar

Tim Fisher

Lynne Gonzales

Jeff Grover

CITY OF MODESTO

Planning and Community Development Department

William S. Nichols, Director

Brian R. Smith, Principal Planner

This 1992 Housing Element was prepared by the following staff members:

Author:	Marjorie Blom, Assistant Planner
Cover:	Julian Lopez, Planning Assistant
Maps:	Julian Lopez, Planning Assistant Cheri Bryant-Olson, Planning Technician II
Charts:	Marjorie Blom, Assistant Planner Steve Mitchell, Associate Planner

Modesto Urban Area General Plan

HOUSING ELEMENT

Planning Commission Recommendation for Approval of the 1992 Housing Element of the Modesto Urban Area General Plan to the City Council: Resolution No. 92-17, adopted April 20, 1992.

City Council Approval of the 1992 Housing Element of the Modesto Urban Area General Plan: Resolution 92-273, adopted May 19, 1992.

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EXECUTIVE SUMMARY

The Housing Element is intended to guide residential development and preservation in a way that supports the overall economic and social values of the community. The residential character of a city is largely dependent on the type and quality of its residential neighborhoods and the dwelling units within them. This Housing Element is an official response to a continuing awareness of the need to provide housing for all economic segments of the community. Highlights of key issues addressed in this Housing Element update are included below:

Evaluation of 1984 Housing Element

Current State Housing Element Guidelines (Government Code Section 65588) require that communities evaluate their previous Housing Element according to the following criteria: (1) the effectiveness of the Housing Element; (2) the progress on the implementation of the Housing Element; and (3) the appropriateness of the Housing Elements Goals, Policies and Objectives.

Overall, the goals, policies and programs in the current 1984 Housing Element were very successful in providing affordable housing, as well as meeting a diversity of housing needs. Of the 13,336 new housing units built in the City of Modesto between 1984 and 1989, 32 percent were available to those in the very-low and low-income households. Furthermore, by adding the units provided to moderate-income households raises the total number of affordable units to 85 percent.

The goals and programs of the Housing Element have been evaluated in light of what the City has done or what other agencies or groups have completed during 1984-1989. Other factors affecting the success of the 1984 Housing Element included the effects of the economy in general, and the availability of limited state and federal funding. (This portion of the Housing Element is located in Chapter 2.)

Regional Housing Needs

The Stanislaus Area Association of Governments (SAAG), as required by State law, determined in February 1991, the City's projected share of regional housing needs through 1997, for persons of all income levels. In March 1991, the Modesto City Council adopted Resolution No. 91-178, accepting SAAG's allocation of 11,688 housing units as Modesto's share of the 1990-1997 Regional Housing Needs. The City is required by state law to incorporate its regional share into the Housing Element update (located in Chapter 3). The Housing Element update requires the development of local housing programs to help meet the existing and projected housing needs of all income groups.

Certain segments of the population may have a more difficult time finding decent, safe and affordable housing due to special circumstances. In Modesto, the special needs groups include the elderly, handicapped persons, farmworkers, large families, female-headed households, and the homeless.

Housing Element Programs

Chapter Four contains the goals, policies and programs the City intends to implement during the Housing Element planning period of 1992-1997. The Housing Element programs, particularly the programs with quantified objectives, are of particular importance. The quantified objectives are directly related to the City's ability to meet its fair share of the Regional Housing Needs.

The following chart highlights key programs from Chapter 4 that will assist the City in achieving its fair share of the Regional Housing Needs:

Key Programs Addressed in the Housing Element ¹

Program	Rehabilitation or New Construction	Quantified Objective	Targeted Income Group
Housing Maintenance Program	Rehabilitation	600 Units	Very-low and Low-Income
Density Bonus	New Construction	500 Units	Very-low and Low-Income
Village One Hsg. Trust Fund /Equity Sharing	New Construction	322 Households 101 Households	Moderate/ Low-Income
Section 8 Certificates *	NA- (Existing or New Housing)	250 Households	Very-low Income
Village One Renters Assistance Program	New Construction	138 Households	Very-low Income
Single Room Occupancy	New Construction	50 Units	Low-Income
Rental Rehab. Program	Rehabilitation	50 Units	Low- and Mod. Income
CA. Housing Rehab. Program	Rehabilitation	50 Units	Low-Income
Second Units	New Construction	50 Units	Low-Income

* This number is in addition to the 2,786 Section 8 Certificates that already exist in the City of Modesto.

¹ Note: A complete list of all programs is provided in Chapter 4.

READER'S GUIDE

The purpose of the Housing Element of the General Plan is to assure the "early attainment of decent housing and a suitable living environment for every Californian family", particularly for low- and moderate-income households (Government Code Section 65580). Modesto's present Housing Element was adopted in July 1984, in accordance with State law in effect at that time. The Government Code (Section 65588) now requires that the Housing Element be revised to meet current State law requirements, no later than July 1, 1992.

Structure of the Housing Element

The Housing Element is divided into four chapters: (1) an overall introduction of the Housing Element process; (2) an evaluation of the previous Housing Element update, last completed in July 1984; (3) a summary of housing needs, constraints and opportunities; and (4) the Housing Element goals, policies, and programs that will help guide the City and its officials in the daily decision-making of housing needs for its residents. The first four chapters are highlighted in more detail below. A separate report, the Housing Element Technical Appendix, was prepared to accompany the Housing Element document. The Technical Appendix includes the 1992 State Housing Element Law.

Chapter One

Chapter One provides an introduction of the purpose and process for a Housing Element and is divided into four sections. Section 1.1 of this chapter describes State law requirements for a Housing Element. Section 1.2 outlines the organization and guidelines required to be included in the Housing Element. Section 1.3 explains the relationship of the Housing Element to other General Plan Elements. Finally, Section 1.4 outlines the process of public participation in the preparation and the development of the Housing Element.

Chapter Two

Chapter Two contains an evaluation of the 1984 Housing Element. This evaluation includes the following: (a) the effectiveness of the Housing Element; (b) the progress on the implementation of the Housing Element; and (c) the appropriateness of the Housing Elements goals, policies and objectives.

Chapter Three

Chapter Three summarizes the findings of housing needs from the Technical Appendix. It also highlights certain constraints which may discourage the construction of new housing, as well as the opportunities that can further the development of housing in Modesto. Furthermore, it includes an analysis of affordable rental housing projects that may be at-risk of converting to market rate units by 1997.

Chapter Four

Chapter Four contains the goals, policies and programs the City intends to implement during the Housing Element planning period of 1992-1997. The Housing Element programs, particularly the programs with quantified objectives, are of particular importance. The quantified objectives are directly related to the City's ability to meet its fair share of the Regional Housing Needs.

Technical Appendix

As part of the development of the Housing Element, a Technical Appendix was prepared as a background report to document the population, socioeconomic, and housing characteristics of the City of Modesto. In addition, the Technical Appendix defines the City's current and projected housing needs, and contains the Regional Housing Needs determinations as required by State law. The Appendix also includes Article 10.6 of the 1992 State Housing Element Law.

1.0 Introduction

The Housing Element is intended to guide residential development and preservation in a way that supports the overall economic and social values of the community. The residential character of a city is largely dependent on the type and quality of its residential neighborhoods and the dwelling units within them. This Housing Element is an official response to a continuing awareness of the need to provide housing for all economic segments of the community. It is also a legal requirement that housing policy be made part of the planning process. As such, this Housing Element will establish goals, policies, and programs that will assist City officials in daily decision-making; an action program will enable the City to realize its housing goals. The time frame for this Housing Element is 1992-1997.

1.1 State Policy and Authorization

The California State Legislature has declared the availability of housing and the early attainment of decent housing and a suitable living environment for every Californian family as the State's major housing goal. Recognizing that local planning programs play a significant role in the pursuit of this goal, and to assure that local planning effectively implements statewide housing policy, the Legislature has mandated that all cities and counties include a Housing Element in their adopted local general plans (Government Code Section 65302). Article 10.6 of the Government Code (Section 65580-65589.8) sets forth specific components to be contained in a community's Housing Element. (This section of the Government Code is cited in a separate document: the Housing Element Technical Appendix.)

1.2 Organization of the Housing Element

The Housing Element guidelines require the inclusion of three basic components:

1. An evaluation of community resources and constraints and the analysis of housing needs, indicating the capacity of existing housing supply to provide all economic segments of the community with safe and decent housing.
2. A housing program consisting of two parts: (a) establishing local housing goals, policies and priorities aimed at alleviating unmet need and (b) ways to remedy the housing problems identified.

3. A five-year course of action which includes a specific description of what the locality intends to undertake to meet the goals, policies, and priorities.

Another component of this Housing Element is the Technical Appendix. This accompanying document provides a compilation of the most recent available data of the population, socioeconomic and housing characteristics of the City of Modesto. The information provided in the Technical Appendix helps to define the City's current and projected housing needs, and provides valuable demographic information which can be utilized by City staff, decision-makers, and the public in many other aspects of planning.

1.3 Relationship of the Housing Element to Other General Plan Elements

The General Plan is a long-range planning document and includes (in addition to the Housing Element) six other elements: land use, circulation, conservation, noise, open space, and safety. Each element must be internally consistent within the General Plan. The Housing Element is the only General Plan element that is mandated by State law to be reviewed and updated every five years by a State agency. The Department of Housing and Community Development (HCD) reviews each community's Housing Element to determine if it complies with Article 10.6 of the State Government Code.

1.4 Public Participation

Public Participation is an important part of the City's Housing Element update process. During the preparation of the 1992 Housing Element update, City planning staff met with individuals and organizations in the community for their input on the housing needs of residents in Modesto. This input was incorporated into a Preliminary Draft Housing Element and Technical Appendix.

Copies of the Preliminary and Draft 1992 Housing Element documents were made available to community organizations and individuals; local governmental officials; and the public library. Notices of the 1992 Housing Element update and environmental review were prepared and posted at various locations throughout the community.

Comments received on the Preliminary Draft Housing Element were collected, reviewed, and incorporated into a Draft Housing Element. The following represents the 1992 Housing Element timeline:

- February 10, 1992** Mailed the Preliminary Draft to the Dept. of Housing and Community Development Department (HCD) for their 45-day review. This review ended on March 26, 1992.
- February 12, 1992** Administrative Review of the Preliminary Draft held in the City Council Chambers. Meeting was open to the public.
- February 26, 1992** Environmental Assessment Committee reviewed the Preliminary Draft and issued a Draft Negative Declaration, in accordance to the California Environmental Quality Act (CEQA). The 30-day public review period ended on April 3, 1992.
- March 24, 1992** A Joint City Council/Planning Commission Meeting was held to solicit input from the public on the Preliminary Draft. This meeting was televised on the local cable channel.
- April 20, 1992** The Planning Commission held a public hearing on the Draft Housing Element. At the conclusion of the public hearing, the Planning Commission voted to recommend to the City Council the following: approval of the amendment to the 1992 Draft Housing Element of the Modesto Urban Area General Plan; and the certification of the Negative Declaration. This meeting was televised on the local cable channel.
- May 19, 1992** The City Council held a public hearing for final adoption of the 1992 Housing Element of the Modesto Urban Area General Plan. At the conclusion of the public hearing, the City Council unanimously approved the 1992 Housing Element and certified the Negative Declaration as complete and in compliance with the California Environmental Quality Act. This meeting was televised on the local cable channel.
- May 20, 1992** Letter received from the State Department of Housing and Community Development stating that the 1992 Housing Element of the Modesto Urban Area General Plan is in compliance with State law.

MODESTO CITY COUNCIL
RESOLUTION NO. 92- 273

A RESOLUTION AMENDING THE MODESTO URBAN AREA GENERAL PLAN
BY ADOPTING THE 1992 REVISION TO THE HOUSING ELEMENT

WHEREAS, the City of Modesto's existing Housing Element was last updated in 1984, and was prepared and adopted pursuant to State law at that time; and

WHEREAS, Article 10.6 of the State of California Government Code requires each local government to review its housing element periodically and to revise its housing element not less than every five years; and

WHEREAS, the updated Housing Element is a statement of current housing needs in the Modesto Urban Area and sets forth probable solutions and housing goals for such urban area; and

WHEREAS, Government Code Section 65588(b), requires that the City of Modesto adopt an updated Housing Element by July 1, 1992; and

WHEREAS, the Environmental Assessment Committee on February 26, 1992, concluded that the 1992 Housing Element would have no significant effect upon the environment and recommended adoption of a Negative Declaration; and

WHEREAS, City staff sought citizen participation in the preparation and review of the 1992 Housing Element, including a joint City Council and Planning Commission meeting, held on March 24, 1992; and

WHEREAS, the Planning Commission held a public hearing on April 20, 1992, on an amendment to the Modesto Urban Area General Plan to add the updated 1992 Housing Element, at which hearing evidence, both written and oral, was received and considered; and

WHEREAS, the Planning Commission by Resolution No. 92-17, adopted on April 20, 1992, recommended to the City Council the approval of the Negative Declaration as complete and in compliance with the California Environmental Quality Act; and

WHEREAS, the State Department of Housing and Community Development (HCD) has reviewed the 1992 Housing Element of the Modesto Urban Area General Plan and has recommended certain changes therein; and

WHEREAS, the City Council has considered HCD's findings and has incorporated them into the 1992 Housing Element, together with comments from

the general public so as to substantially comply with the requirements of Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code; and

WHEREAS, the Planning Commission adopted Resolution No. 92-17 on April 20, 1992, which recommended adoption of the 1992 Housing Element of the Modesto Urban Area General Plan; and

WHEREAS, the Modesto City Council held a duly noticed public hearing, on May 19, 1992, at which time and place evidence both oral and written was received and considered; and

WHEREAS, the City Council has received and reviewed the findings of the City of Modesto Environmental Assessment Committee, which resulted in a Negative Declaration; and

WHEREAS, the City Council finds that the attached 1992 Housing Element is consistent with all other Elements of the Modesto Urban Area General Plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby finds and determines that adoption of the 1992 Housing Element as part of the Modesto Urban Area General Plan is appropriate for the following reasons:

SECTION 1: That the Negative Declaration prepared for this project is complete and in compliance with the California Environmental Quality Act.

SECTION: 2: That the 1992 Housing Element is consistent with all other elements of the Modesto Urban Area General Plan.

SECTION 3: That the adoption of the 1992 Housing Element to replace the existing 1984 Housing Element of the Modesto Urban Area General Plan is required for the public health, safety and general welfare.

BE IT FURTHER RESOLVED by the Council that it does hereby amend the Modesto Urban Area General Plan by adopting the 1992 Housing Element, attached as Exhibit "A", which supersedes the 1984 Housing Element.

BE IT FURTHER RESOLVED that the Council rescinds City Council Resolution No. 84-462 which adopted the "Housing Element of the Modesto Urban Area General Plan".

BE IT FURTHER RESOLVED that the 1992 Housing Element substantially complies with the requirements and guidelines adopted by the State Department of Housing and Community Development, pursuant to Housing Element Law Article 10.6 and Section 50549 of the Health and Safety Code.

BE IT FURTHER RESOLVED by the Council that the Planning and Community Development Director of the City of Modesto is hereby directed to file or cause to be filed with the Stanislaus County Clerk a Notice of Determination in regard to the environmental impact of the amendment to the Housing Element of the Modesto Urban Area General Plan.

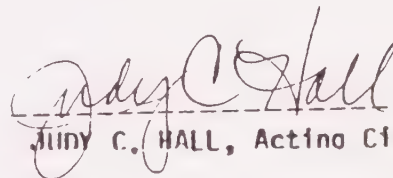
BE IT FURTHER RESOLVED that the City Clerk is hereby directed to certify a copy of said updated Housing Element of the adopted General Plan to the Board of Supervisors of the County of Stanislaus, the City Council of the City of Ceres, and the City Council of the City of Riverbank.

BE IT FURTHER RESOLVED that this resolution shall become effective 30 days after adoption.

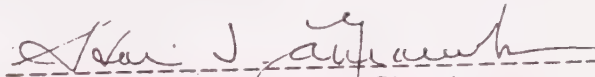
The foregoing resolution was introduced at the regular meeting of the Modesto City Council held on the 19th day of May, 1992, by Councilmember Patterson, who moved its adoption, which motion being duly seconded by Councilmember Friedman, was upon roll call carried and the resolution adopted by the following vote:

AYES:	Bird, Cogdill, Dobbs, Friedman, Muratore, Patterson, Mayor Lang
NOES:	None
ABSENT:	None

ATTEST:


JUDY C. HALL, Acting City Clerk

APPROVED AS TO FORM:

BY: 
STAN T. YAMAMOTO, City Attorney

WSN/BS/MB

Attachment: 1992 Housing Element

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

1800 THIRD STREET, Room 430
P.O. BOX 952053
SACRAMENTO, CA 94252-2053
(916) 323-3176 FAX (916) 323-6625



May 20, 1992

Mr. Edward J. Tewes
City Manager
City of Modesto
801 Eleventh Street
P.O. Box 642
Modesto, CA 95353

Dear Mr. Tewes:

Re: Review of City of Modesto's Revised Draft Housing
Element

Thank you for submitting Modesto's revised draft housing element, received for our review on April 20, 1992. As you know, we are required to review draft housing elements and report our findings to the locality (Government Code 65585(b)).

The revised element adequately addresses all of the comments of our March 26, 1992 review letter on the February 1992 draft element. For example, the revised draft includes more complete information on the availability of residential development sites, quantified objectives by income level, and more specific program implementation timelines.

We are therefore pleased to find that, upon adoption of the revised draft, the element will continue to comply with state housing element law (Article 10.6 of the Government Code). The housing element, which now includes adequate analysis and programs for preservation of assisted units, must be adopted by July 1, 1992, pursuant to Government Code Section 65583(d).

We commend the City for successfully building consensus for an innovative approach to accommodating new development in Village One and subsequent "villages". The significant proportion of single-family lots planned for lot sizes of 5,000 square feet and less should facilitate housing affordability. As the City has been accommodating new residential construction affordable to lower- and moderate-income households, we encourage strong marketing of programs targeted to very low-income households in particular, i.e., the Multifamily Developer Incentive Program.

Mr. Edward J. Tewes
Page Two

We are pleased to note the Planning Department appears to have established methodology for monitoring progress in addressing the Regional Housing Need Allocation by unit type and income level, as reflected in Section 7 of the element. The draft element also includes exemplary accounting of local resources.

Your staff -- Marjorie Blom in particular -- has demonstrated diligent effort to understand and present housing element law in a meaningful manner for policy development by the City. The most recent revisions in response to our comments and those of the public were relevant, timely, and clearly presented, thereby facilitating our review.

We look forward to receiving a copy of the City's adopted housing element (pursuant to Section 65585(a) and (h)) and wish you success in implementing your housing element programs, particularly the new program initiatives. Please contact Cam Cleary (916) 323-3185 if we can assist your efforts.

In accordance with requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,



Thomas B. Cook
Deputy Director

Enclosure

cc: William Nichols, Director, Planning Development
Marjorie Blom, Assistant Planner
Carol Whiteside, Resources Agency
Ricardo Cordova, California Rural Legal Assistance
Joanne Nugent, Self-Help Enterprises
Greg Steele, Stanislaus Area Association of Governments
Kathleen Mikkelsen, Deputy Attorney General
Bob Cervantes, Governor's Office of Planning and Research
Richard Lyon, California Building Industry Association
Kerry Harrington Morrison, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Wiener, California Coalition for Rural Housing
Susan DeSantis, The Planning Center

2.0 Evaluation of 1984 Housing Element

2.1 Introduction and Background

The 1984 Housing Element was adopted by City Council Resolution 84-862 on July 10, 1984. State Housing Element Guidelines (Government Code Section 65588) require that communities evaluate their previous Housing Element according to the following criteria:

- Effectiveness of the Housing Element,
- Progress on the implementation of the Housing Element, and
- Appropriateness of the Housing Elements Goals, Policies and Objectives.

2.2 Evaluation of 1984 Housing Element

This section evaluates the achievements of the City's goals, programs and objectives which were adopted as part of the 1984 Housing Element. There are many factors which can affect the ability of the City in meeting the expectations that were originally adopted in the 1984 Housing Element. The goals and programs of the Housing Element have been evaluated in light of what the City has done or what other agencies or groups have completed during 1984-1989. Other factors affecting the success of the 1984 Housing Element include the effects of the economy in general, and the decreasing availability of state and federal funding.

Overall, the goals, policies and programs in the current Housing Element have been very successful in providing affordable housing, as well as meeting a diversity of housing needs. Of the 13,336 new housing units built in the City of Modesto between 1984 and 1989, 32 percent have been available to those in the very-low and low-income households. Adding the units provided to moderate-income households raises the total of affordable units to 85 percent.

Discussion of progress relating to the goals of the 1984 Housing Element

Goal #1 Attainment of a housing supply sufficient to meet projected housing demand.

ANALYSIS OF THE OBJECTIVES RELATING TO GOAL #1

Objective 1.1

Ensure a sufficient supply of land for residential development.

Past Progress:

Based on the City of Modesto's annual urban growth policy reports, the following table reflects the inventory of potential residential land as of July 1, of each year.

Year	Acres Added	Acres Consumed	<u>Number of Acres</u>			
			In Final Maps	In Tentative Maps	Vacant w/o Maps	Total
1984	-0-	159	532	639	1,691	2,862
1985	312	*169	523	606	1,876	3,005
1986	-0-	357	508	567	1,474	2,549
1987	-0-	488	424	865	772	2,061
1988	-0-	407	409	695	550	1,654
1989	-0-	418	357	326	553	1,236
1990	-0-	334	273	134	494	901
1991	53	•107	293	105	449	847
TOTAL	365	2,439				

*312 acres added -- balance of Yosemite Neighborhood added to the Current Sewer Service area.

•+53 acres added-- Fleur de Ville subdivision.

Source: 1984-1991 Urban Growth Reports, City of Modesto Planning & Community Development Department

Appropriateness of the Objective:

The objective is simplified in the adopted "Modesto Urban Growth Policy", Item One that reads in part "In general, maintenance of a three- to five-year supply of available vacant and agricultural land in the current sanitary sewer service area will be desirable."

The less than 200-acre annual consumption in 1984 and 1985 was a by-product of a recession. 1990 figures will reflect a recession as well, but more important is the reality that available land is approaching a zero supply. With 350-500 being the historical range of consumption, a three- to five-year supply would be 1,050 to 2,500 acres.

Four attempts have been made to increase the inventory since 1984. Half of the attempts have been supported by Measure A advisory votes. In 1979, the citizens of Modesto passed the Modesto Citizen's Advisory Growth Management Act (Measure A) which requires the City to hold an advisory vote of the citizens prior to extending sanitary sewer services into areas outside the City's current sewer service area. As shown in the following table, the City Council has heeded the advice each time.

<u>DATE</u>	<u>MEASURE</u>	<u>YES</u>	<u>NO</u>	<u>INVENTORY</u> In acres as of 7/1 of that year
11/06/84	F. 312 acres, Yosemite Nbhd.	59%	41%	2,862
11/04/86	F. 580 acres, Merle & Merle East Nbhd. & 440 acres, Roselle Nbhd.	48%	52%	2,549
11/03/87	Q. (as above)	41%	59%	2,061
11/06/90	F. 1,784 acres Village One Specific Plan Area (979 acres for residential use)	55%	45%	901

A three- to five-year supply is a worthwhile goal, but it does have to compete with other goals. The 1986 and 1987 defeats and the 1990 success suggest that the measures taken to have growth pay its own way and a new village concept were prerequisites to voter acceptance of new growth. With Village One operational in CY 1993 we would have a conservative three year supply (at 325 acres per year).

Effectiveness in Attaining this Objective:

Competing objectives have won out and we have not been able to meet this objective fully.

Future Prospects:

Convening of the Urban Growth Committee in the first quarter of CY 1992 as part of the adopted urban growth management strategy has the following on its agenda: the determination of where the next Village should be developed, and a determination of when the next Measure A advisory vote should be held.

Objective 1.2

Promote housing construction that efficiently uses land, natural resources, and the urban infrastructure.

Past Progress:

There are at least two ways to analyze this objective: (1) the amount of infill development that occurs; and (2) the overall residential density of the community.

The City of Modesto's infill development has been exemplary. Excluding tentative and final map lots, the inventory has shrunk from 1,691 acres on July 1, 1984 to 494 acres on July 1, 1990. The Modesto Urban Growth Policy currently calls for at least 7.5 dwelling units per net residential acre city-wide. On November 1, 1984, it was 7.25 dwelling units per net residential acre and on July 1, 1990, it was 7.55 dwelling units per net residential acre.

Appropriateness of this Objective:

First of all, it makes sense to utilize existing infrastructure before adding more. Secondly, the City of Modesto is generally located on prime agricultural land, and has an obligation to make efficient use of its land resources with higher densities. Both goals are worthy of retention.

Effectiveness in Attaining the Objective:

The City of Modesto was extremely effective in promoting housing construction that efficiently used its land resources.

Future Prospects:

The 7.5 dwelling units/net acre for all residential units meets our EPA Agricultural Land Mitigation Program density goals and far exceeds most Central Valley communities. Village One will exceed this:

- 7.5 du/net acre for single family neighborhoods adjacent to Oakdale Road, Floyd Avenue and Claus Road;
- 8.5 du/net acre for single family neighborhoods elsewhere; and
- 9.0 du/net acre overall for single family and multiple family.

Objective 1.3

To promote residential development (mid-rise and high-rise) in the City's downtown.

Past Progress:

Downtown Modesto continues to lose residential units. During 1984-1991, both the Royal Hotel and Hotel Covell, apartment hotels, were vacated, as one example. There has been very little new housing provided downtown. Single family residences regularly give way to offices.

Appropriateness of this Objective:

The most vital downtowns are also residential neighborhoods. Without residential uses, downtown goes "dead" on the weekend. A February 1990 Downtown Action Committee report, "Downtown: The Natural Place to Be" reemphasized the goal of support of residential uses in the downtown area.

Effectiveness of the Objective:

Without subsidy or some other assistance, this goal will continue to elude us.

Future Prospects:

A new redevelopment area encompasses the entire CBD. Twenty percent of the tax increment financing must be pledged to low-income housing. Downtown housing may be financed in the future. Market rate housing may be assisted by a newly formed, Nonprofit Housing Development Corporation.

ANALYSIS OF IMPLEMENTATION MEASURES RELATING TO GOAL #1

Implementation 1.1

Evaluate the need for developable land for housing in the City's Annual Growth Policy Review.

Past Progress:

Steps are being taken. Past progress noted with Objective Number One.

Implementation 1.2a

Encourage higher densities to better utilize land inventory on the City's fringe as well as infill of bypassed areas.

Past Progress:

Until Village One, all new neighborhoods have been guided by a Neighborhood Zoning and Development Plans. During the recession of the early 1980's, good supplies of multi-family housing were provided. In the late 1980's, however, single family preempted many multi-family sites. This trend is not expected to continue due to an ongoing demand for multi-family housing. The 1991 Urban Growth Review shows an average density of 7.57 dwelling units per net acre. The dwindling inventory has put pressure on infill sites resulting in their development. For future growth areas, new neighborhoods will no longer be guided by the Neighborhood Zoning and Development Plans. Future growth will be guided by Specific Plans such as Village One, which includes a variety of housing types and densities. Further information on the Village One process is highlighted in Chapter 3.

Implementation 1.2b

Infill of vacant properties by use of P-D zoning.

Past Progress:

Planned Developments and single family subdivisions have been successfully used for infill parcels.

Implementation 1.3

Promotion of downtown residential development.

Past Progress:

The Downtown Planned Development Zone allows residential uses. Residential uses are advocated by staff for downtown but the opportunity has eluded the private sector so far.

GOAL # 2 Encourage availability of housing at affordable prices.

ANALYSIS OF THE OBJECTIVES RELATING TO GOAL #2

Objective 2.1

Encourage the development of lower and moderate-income housing both publicly and privately funded.

Past Progress:

As of September 1991, City Capital Facilities Fees (CFF) and County Public Facility Fees (PFF) are as follows:

<u>Dwelling Type</u>	<u>Per dwelling unit</u>		
	<u>CFF</u>	<u>PFF</u>	<u>TOTAL</u>
Single family residence	\$5,275	\$3,484	\$8,759
Duplex unit, mobile home	\$4,029	\$2,288	\$6,317
Multi-family housing	\$3,388	\$2,288	\$5,626
Senior housing	\$2,641	\$1,871	\$4,512

Additionally, approximately \$10,000 to \$12,000 per dwelling unit will be collected for schools (elementary, junior high and high school) in new growth areas. This additional cost burden does not add to housing affordability. Many of Modesto's entry-level housing needs are served by smaller cities, particularly in Merced County.

Depending on the market conditions, these fees may adversely affect housing affordability. On the other hand, the CFF's are intended to pay for specific facilities which enhance the community. However, nonprofit housing sponsors of housing for very-low-income households are exempt from the City's CFF. For new multi-family projects with density bonuses, serving the very-low and low-income households, the City's CFF can be deferred. See Chapter 4.0, Action Program 2c.2 for further information.

If the only criterion was affordability, clearly the CFF and PFF wouldn't exist. But the City between 1978 (Proposition 13) and the 1990 comprehensive CFF, developed an infrastructure deficit of \$3.4 million per year. The City is desirous of maintaining its General Plan standards for infrastructure. Lacking broad-based funding alternatives, this City like many others, has had to resort to developer fees.

Appropriateness of the Objective:

The City should work toward the promotion of a full range of housing for its very low, low- and moderate-income families.

Effectiveness in Attaining this Objective:

While developer fees have been cited as the primary reason for a lack of affordable housing, some programs keep effectively addressing the issue, such as:

- a. Community Development Block Grant (CDBG) funding for housing rehabilitation, bringing new life to some of our oldest housing stock in areas with over 70 percent low-income families; a completion of 625 rehabs between January 1, 1984 and January 1, 1989.
- b. Provision of very low-income housing by the Stanislaus County Housing Authority.

Future Prospects:

Recently, the local housing market was heavily oriented to Bay Area commuters and their housing needs, high priced by local standards. Entry-level housing for local residents employed in the area was not built. Now local builders are shifting back to housing affordable for those employed in the area.

The Village One Affordable Housing Program and an expanded redevelopment area offer high hopes for the future in addition to CDBG and Stanislaus County Housing Authority programs. An outline of new programs:

1. An \$.80/ square-foot fee for square footage exceeding 800 square feet for all single family homes built in the Village One area. The fees collected will go into a Housing Trust Fund for equity assistance to low- and moderate-income families.
2. Establishment of a Nonprofit Housing Development Corporation, working with 20 percent tax increment funds from redevelopment and other funding sources to provide low-income housing opportunity.

Objective 2.2

Encourage the utilization of cost-effective energy systems in all new residential developments.

Past Progress:

Tentative subdivision map review includes a check of East-West street orientation. This review encourages subdivisions to orient streets in subdivisions in an East-West pattern.

Effectiveness of this Objective:

As long as lots are not lost, subdividers willingly support East-West streets.

Future Prospects:

The Uniform Building Code requires that all new development adhere to the Title 24 requirements, which includes the most up-to-date cost-effective energy systems.

ANALYSIS OF IMPLEMENTATION MEASURES RELATING TO GOAL #2

Implementation 2.1

Seek funds from Federal and State programs to provide below market rate subsidy programs for lower and moderate-income households.

Past Progress:

Funding from the Federal Community Development Block Grant Program was used to rehabilitate 625 housing units from 1984-1989. During this time, the City participated in the issuance of Single-Family Mortgage Revenue Bonds to provide financing for 270 entry level homes and eight Multi-Family Mortgage Revenue Bonds, which provided 159 units for very low-income households and 195 units for low-income households. The City also continues to work with the Stanislaus County Housing Authority in providing public housing assistance to those in the lower income category. Several Density Bonus units were also developed in 1984-1989.

Implementation 2.2

Orient streets in subdivisions on an east-west street pattern, as well as continued implementation of the State Energy Regulations for residential units.

Past Progress:

As stated above in Objective 2.2, the City's Planning and Community Development Department and Building Inspection Division require that all new residential development adheres to the Uniform Building Code and Title 24 requirements.

Implementation 2.3

Lessen governmental constraints to the development and cost of housing.

Past Progress:

Since 1984, a number of provisions recently adopted have yielded:

- duplexes permitted on corner lots.
- flag lots permitted to allow deep lots with narrow street frontages to develop at R-1 density.
- maintenance of expeditious processing of all applications. Over the years, our processing time has grown. The increase has been totally attributed to state-mandated additional time periods for CEQA review.

GOAL # 3

Provide safe and decent housing.

ANALYSIS OF THE OBJECTIVES RELATING TO GOAL #3

Objective 3.1

Assist strategies to meet the needs of special populations: (a) emergency shelter; (b) persons with disabilities; and (c) elderly living in residential hotels.

Past Progress:

- (a) City staff participates with the Community Shelter Services Coalition in providing emergency shelter assistance.
- (b) Persons with disabilities can contact the Modesto Independent Living Center, which provides referral information and other services.
- (c) The Royal Hotel and Covell Hotel have closed. The City no longer has elderly or any other persons living in residential hotels.

Objective 3.2

Assist in the rehabilitation and preservation of the housing inventory in older neighborhoods.

Past Progress:

The City's Housing Program Office staff continues to work with property owners and contractors. From January 1, 1984 to January 1, 1989, 625 dwelling units have been rehabilitated, with Community Development Block Grant and Rental Rehabilitation funds.

Objective 3.3

Increase the awareness of energy conservation programs available to households in Modesto.

Past Progress:

During 1984-1989, the City's Housing Program Office has distributed approximately 512 water heater blankets to low- and moderate-income residents as part of their rehabilitation program.

Appropriateness of this Objective:

The above goals are a state mandate, especially Objective 3.1. This goal reminds policy makers and staff of the needs of the special populations.

Effectiveness of the Objective:

Slow progress is being made.

Future Prospects:

A county-wide Nonprofit Housing Corporation, STANCO (Stanislaus County Affordable Housing Corporation), and a yet to be formed city-wide nonprofit housing development corporation will help out significantly.

ANALYSIS OF IMPLEMENTATION MEASURES RELATING TO GOAL #3

Implementation 3.1

Support efforts of the Community Temporary Shelter Service Coalition (CTSSC) for the provision of emergency shelter housing.

Past Progress:

City staff is active on the Community Shelter Service Coalition Board. Recently, (beginning in 1990) in cooperation with HUD and CTSSC, the City of Modesto's Housing Program Office, is participating in providing three single family residences for homeless families seeking permanent housing. The City of Modesto is leasing the three houses from HUD for \$1.00 per year, while CTSSC assists with the selection of the families.

Implementation 3.2

Encourage developers to build units accessible to the disabled.

Past Progress:

Title 24 of the California Administrative Code Requirements mandate that public buildings including multi-family residences, provide structural standards which permit wheelchair access, as well as provide parking spaces.

Implementation 3.3

Consider programs for rehabilitation of old downtown hotels for long-term residential hotels.

Past Progress:

During 1984-1989 the City actually lost residential units. City Planning Staff continues to research this issue.

Implementation 3.4

Through the Housing Maintenance Program (HMP), continue neighborhood improvements and rehabilitation.

Past Progress:

The City's Housing Maintenance Program continues and its performance is documented under Objectives 2.1a and 3.2.

Implementation 3.5

Continue the Insulation Rebate Program in HMP and re-establish water heater jacket distribution.

Past Progress:

512 water heater covers were provided to qualifying families throughout the City between 1984-1989. The Insulation Rebate Program and the Paint Rebate Program provided rebates to qualifying residents in the Target Area #3, Phases 1 and 2. All of these programs currently continue.

Implementation 3.6

Coordinate with all City departments providing information or activities on energy conservation to provide a uniform conservation package.

Past Progress:

The Housing Program Office provides information on energy conservation. PG & E and Modesto Irrigation Department provide information to customers on their energy conservation programs.

GOAL #4

Maximize housing choice throughout the community.

ANALYSIS OF THE OBJECTIVES RELATING TO GOAL #4

Objective 4.1

Promote a variety of housing types, prices and locations within new neighborhoods.

Past Progress:

The approved Neighborhood and Zoning Development Plans fostered this goal. The adopted Village One Specific Plan's Residential Program and Affordable Housing Strategy continues this goal even further.

Objective 4.2

Support the enforcement of laws and regulations prohibiting discriminatory practices in the sale and rental of housing.

Past Progress:

City staff is active on the Community Housing Resource Board which promotes fair housing opportunity. CDBG funds have been used to fund fair housing monitoring. The City has a Human Relations Commission that can be a conduit for fair housing complaints and referral to enforcement agencies.

Appropriateness of the Objective:

Fair housing and housing choice throughout the community is a vital component in developing a better quality of life.

Effectiveness in Attaining this Objective:

The City has and continues to make good progress towards meeting this objective.

ANALYSIS OF THE IMPLEMENTATION MEASURES RELATING TO GOAL #4

Implementation 4.1

Direct lower and moderate-income households away from impacted areas toward the developing fringe.

Past Progress:

The former Housing Assistance Plan (replaced by the Comprehensive Housing Affordability Strategy or CHAS) cited this implementation strategy 4.1. The Stanislaus County Housing Authority has been a very effective partner in meeting this goal.

Implementation 4.2

Encourage continued staff involvement with the Community Housing Resource Board.

Past Progress:

The Community Development Program Manager has been a very active participant on this Board.

DISCUSSION OF REGIONAL HOUSING NEEDS 1984-1989 HOUSING ELEMENT

Need for New Housing in Modesto 1984-1989

The breakdown of the City's 1984-1989 Regional Housing Needs for new construction is highlighted below. Of the total units, the goal was 3,892 rental housing units and 8,545 units ownership units.

1984-1989 New Housing by Need

Total Units	12,437	100%
Above Moderate	5,057	41%
Moderate	2,364	19%
Low	2,087	17%
Very Low	2,929	24%

The City achieved its goal as far as the total number of units, but the breakdown by income percentages reflect that we overachieved in the low- and moderate-income categories and underachieved in the above-moderate and very-low-income categories. Of the total 13,336 units built, 8,819 were single-family homes, 3,937 were multi-family units and 580 units were mobilehomes. The actual results by income category are reflected below:

1984-1989 Actual Results*:

Total Units	13,336	100%
Above Moderate	2,342	18%
Moderate	6,813	51%
Low	3,689	28%
Very Low	492	4%

Future prospects: Regional Housing Needs will be assisted by programs to maintain and preserve existing housing stock, redevelopment 20% set-aside funds, the Village One Affordable Housing Program, and seeking funding from the state and federal government. Also, the City along with the Housing Authority, should work together to fund and find land suitable for the building of Public Housing units or Article 34. (Since 1972, the voters in the City of Modesto have approved three public housing referendums totalling 1300 units. A total of 904 voter approved units remain unbuilt. Currently, the Stanislaus County Housing Authority has applications pending for 120 senior housing units and 30 family units.)

*Sources: Data from State Department of Finance E-5 Reports 1984-1989; Data from City of Modesto Building Inspection Building Permit Records, 1984-1989; HUD Median Income Limits 1984-1989; Classified Advertisements listing new homes for sale, The Modesto Bee 1984-1989; City of Modesto Planning & Community Development Department Records (Apartment Survey, Density Bonus Units, Housing Units At-Risk records and Single-Family and Multi-Family Mortgage Revenue Bonds), and Stanislaus County Housing Authority (Section 8, and Low-Rent Program— units owned by the Housing Authority). For a more detailed look at the methods used to calculate the actual results see the Technical Appendix Section 7.0, Attachments, Page 7-1.

Replacement Housing Needs 1984-1989

<u>GOAL</u>	<u>Units</u>	<u>%</u>	<u>ACTUAL</u>	<u>Units</u>	<u>%</u>
Total Units	699 (a)	100%	Total	253 (b)	100%
Above Moderate	284	40%	A. Moderate	31	12%
Moderate	133	19%	Moderate	48	19%
Low	117	17%	Low	62	25%
Very-low	165	24%	Very-low	112	44%

Assumptions:

(a) Goal: 294 demos, conversions, fires (SAAG's RHN) and 405 substandard, not suitable for rehab.

(b) Actual: 148 demos, conversions, fires; and 105 substandard units, not suitable for rehab.

Source: City of Modesto: Building Inspection records, Housing Changes Reports, 1984-1989, Land Use File 1984-1989, Housing Program Office Annual Statistical Sheets, 1984-1989; and HUD Median Income Figures, 1984-1989.

Appropriateness of the Goal:

The goal includes a high number of housing units that were assumed to be lost either by fires, demolitions or conversions of residential units to non-residential uses. The actual number (148) indicates that the City did not have as high of a risk factor of housing unit loss as indicated by the Regional Housing Needs. During 1984-1989, there were 92 demolitions/fires; 49 housing units moved out of the City; and seven conversions of housing units to non-residential uses.

In 1989, there were 105 substandard housing units not suitable for rehabilitation, according to the City's land use file. The highest concentrations of these units were located within the downtown area and in the Airport Neighborhood.

Effectiveness of the Goal:

The numbers reflecting the replacement needs of housing units lost, were in the high range. The City did not lose as many units as predicted by the Regional Housing Needs.

The City was effective in lessening the amount of units not suitable for rehabilitation and in need of replacement. As indicated by the data from the City's land use files, the number of substandard units not suitable for rehabilitation, went down from 405 in 1980 to 105 in 1989. This data reflects that the difference of 300 units were either replaced with new units, lost due to fire or demolition, moved out of the area, or rehabbed.

Rehabilitation Housing Needs in Modesto 1984-1989

A total of 625 rehabilitated units in five years, or nearly 125 rehabilitated units per year with CDBG funds is a very significant accomplishment by City staff working with private developers. That is the best data we have been able to track. The five-year goals that were set may have been based on need but bear no relationship to the financial resources available.

Rehabilitation Housing Needs 1984-1989

<u>GOAL</u>		<u>ACTUAL</u>	
Total Units	5,282	Total Units	625
Owner Units	2,410	Owner Units	384
Rental Units	2,872	Rental Units	241

Source: City of Modesto Housing Program Office: HUD Grantee Performance Reports and City Planning Statistical Summary Reports; 1984-1989.

Effectiveness of the Goal:

Rehabilitating older housing stock remains an important goal. However, numeric targets eight times higher than the high performance of our housing rehabilitation programs are unrealistic.

The City did make an honest attempt to rehabilitate as many units as possible. The actual total, as stated above, includes all rehabilitation completions and does not take into account the number of neighborhoods and areas within the City that were provided with improvements such as curb, gutter and sidewalks and rehabilitation by individual property owners not associated with the Housing Program Office. As a public service, the Housing Program Office continued the Insulation Rebate Program and provided 512 water heater blankets, as well as provided 850 smoke detectors and batteries as part of the fire prevention program.

Housing Assistance Needs of Lower Income Households, 1984-1989

The 1984 Housing Element indicated that an estimated 9,265 lower income households required housing assistance, i.e. households were spending more than 25 percent of their gross income on rent. The Housing Element also stated that the households in need of housing assistance, may be double counted. This double count was the result of households needing assistance that also live in substandard housing, in need of rehabilitation.

**Housing Assistance Needs of Lower Income Households
by Owner and Renter Categories, 1980**

GOAL	Type of Household			
Type of Household Unit	Elderly & Handicapped	Small Family (4 or less)	Large Family (5 or more)	Overall Total
Owner	1,106	1,023	203	2,332
Renter	1,729	4,662	542	6,993
Total	2,835	5,685	745	9,265
Total Percentage	31%	61%	8%	100%

Source: 1980 Census, 1984 Housing Element

It is difficult to analyze the results of the 1984-1989 housing assistance needs of lower income households because the most appropriate and accurate data dealing with this issue has not been released by 1990 Census. However, the City did make a conscious effort to meet the needs of its lower income households. The overall housing needs of the lower-income households indicates a number greater than the capacity for the City to fulfill. The actual number of lower income households who received housing assistance through the City's Housing Program Office is shown below:

**Number of Lower Income Households
Assisted from 1984-1989**

ACTUAL	Type of Household			
Type of Household Unit	Elderly & Handicapped	Small Family (4 or less)	Large Family (5 or more)	Overall Total
Owner	150	102	31	283
Renter	214	292	259	765
Total	364	394	290	1,048
Total Percentage	35%	38%	27%	100%

Source: 1984-1989 Housing Assistance Plans, City of Modesto Housing Program Office.

As far as housing costs for the lower-income households, the City conducted a rental survey that indicated that current housing is available at rents affordable to the City's lower-income households. (See Technical Appendix, Section 4.5 Housing Costs.) Additionally, the 1984 Housing Element included a summary of proposed units to be assisted in Modesto from 1984-1989.

The following chart reflects the Housing Element goals vs. the number of units built or rehabilitated during 1984-1989.

**FIGURE 2-A
SUMMARY OF HOUSING PROGRAMS
QUANTIFIED OBJECTIVES FOR AFFORDABLE HOUSING 1984-1989**

PROGRAM	UNITS (GOAL)	UNITS (ACTUAL)
New Construction		
Mortgage Revenue Bonds		
Single-family	530	270 ¹
Multi-family	1,033	354 ²
HUD Assisted		
Section 8 Existing	250	312
Mobile Home Park	120	0 ³
Conventional Public Hsg.	75	200
Market Rate Housing	<u>5,000</u>	<u>6,456</u> ⁴
Subtotals	7,008	7,592
Rehabilitation		
Target Area Housing	500	460
Maintenance Program		
Senior Emergency Repair	75	110
Rental Rehab	<u>45</u>	<u>55</u>
Subtotal	620	625
TOTAL	7,628	8,217

¹ An additional 250 SFMRB were approved in 1986, but the bonds were not issued due to the BIA terminating the application because of unfavorable interest rates.

² A total of 1,795 multi-family units were built funded by multi-family mortgage revenue bonds, of the total units, 354 units were affordable to those in the very low- and low-income categories.

³ The Housing Authority did not receive the funding necessary to do this project.

⁴ This figure represents Single-family homes built in Modesto during 1984-1989, that were market rate affordable to those in the low to moderate-income categories.

FIGURE 2-B
Summary of Goals, Objectives, Programs/Actions
& Accomplishments, 1984-1990

Goals	Objective	Programs/ Actions	Accomplishments
Housing Supply	3-5 Year Supply	Urban Growth Policy	1984/85 --312 acres added (Yosemite Neighborhood) 1990/91 -- 53 acres added (Fleur de Ville) Successful use of infill development: 7.25 du/ to 7.55 du per net acre
	1984-1989- Regional Housing Needs: 12,437 New Housing Units	Building Permit Issuance	13,336 Permits Issued 1984-1989
Housing Affordability	Full Range of Housing for all	Primarily Mortgage Revenue Bonds (MRB's)	270 households assisted w/SF MRB's. 361 Very-low & Low-income households assisted w/ MF MRB's & Use of Density Bonuses
	250 Section 8 Certificates	Housing Authority	312 Section 8 Vouchers/Certificates Issued
	75 units of Conventional Public Housing	Housing Authority	200 Units Built
	Lessen Costs & Constraints of Housing	Duplexes permitted on corner lots Flag lots (R-1 lots) Fast-track processing	Since 1984, these provisions have worked well. Flag lots allowed to permit large R-1 lots with minimum frontages to develop at maximum R-1 density
Safe & Decent Housing	Rehabilitation & Preservation of City's older Housing Stock	1984-1989, 625 Rehabs were completed through 5 programs	Programs: Housing Maintenance, Rental Rehab, Emergency Home Repair, Handicapped Barrier Removal, & Home Emergency Loan
	Assist Special Populations w/ Housing	Disabled: Encourage developers to build handicapped accessible units	City continues to monitor building plans for multi-family projects to ensure they are handicapped accessible
Housing Choice	Provide a Variety of Housing	Adherence to the General Plan Neighborhood & Zoning Devel. Plan	The Village One Specific Plan, adopted 10/1990, expands upon this objective by requiring a range of small lot types
	Fair Housing	Community Housing Resource Board Human Relations Commission	Successful in promoting fair housing Hears fair housing complaints & refers to enforcement agencies

3.0 Summary of Housing Needs, Constraints, & Opportunities

As part of this Housing Element, a separate Technical Appendix was prepared as a background report to document the population, socioeconomic, and housing characteristics of the City of Modesto. The Technical Appendix helped to define the City's current and projected housing needs, and to provide direction in the development of goals, policies, and programs to address these needs in the Housing Element.

This section of the Housing Element summarizes the findings of housing needs from the Technical Appendix. Additionally, certain constraints which may discourage the construction of new housing are evaluated, as well as opportunities that further the development of housing in Modesto.

3.1 Summary of Housing Needs

A number of factors will influence the degree of demand or "need" for new housing in Modesto in coming years. The five major "needs" categories considered in this Housing Element include:

1. Regional housing needs determinations as required by State law, which are determined by the local Area Association of Governments;
2. Housing needs resulting from increased population growth, both in the City and the surrounding region;
3. Housing needs resulting from the deterioration or demolition of existing units or from the loss of existing affordable rental stock;
4. Housing needs resulting from the presence of special needs groups such as the elderly, handicapped, large families, farmworkers, female-headed households, low-income and minority households (e.g., South East Asian refugees) and the homeless;
5. Housing needs that result when households are paying more than they can afford for housing.

City of Modesto's Projected Share of the Regional Housing Needs

The Stanislaus Area Association of Governments (SAAG), as required by State law, determined in February 1991, the City's projected share of regional housing needs through 1997, for persons of all income levels. In March 1991, the Modesto City Council adopted Resolution No. 91-178, accepting SAAG's allocation of 11,688 housing units as Modesto's share of the 1990-1997 Regional Housing Needs.

SAAG has determined that the City's basic housing need is 10,677 units (projected need for new construction) and 1,011 replacement units, for a total of 11,688 housing units. Increase in housing need is the amount of housing needed by 1997 to meet projected household growth and to keep the housing market in balance. The basic replacement need is the amount of housing needed to replace units expected to be demolished or lost from the present stock. (For the breakdown of housing need by income category, please see Section 4.6 in the Technical Appendix.)

Population Growth

Since 1980, the City of Modesto has grown by 55 percent, from 106,602 persons to 164,730 persons in 1990. This rapid growth has changed Modesto from a small agricultural-based community into a medium-sized metropolitan center, with more people living here and commuting to work in the Bay Area.

Another cause of the rapid growth has been the arrival of South East Asian refugees, who have become concentrated in not only Modesto and Stanislaus County, but in San Joaquin and Merced Counties as well. There are an estimated 12,384 persons of Asian background, which equates to 7.5 percent of the City's population.

FIGURE 3-A
Population Trends 1940-1990

Year	City of Modesto	Modesto Urban Area	Stanislaus County	State of California
1940	16,379	29,000	74,866	7,500,000
1950	17,319	50,000	127,231	12,000,000
1960	36,585	73,200	157,294	16,000,000
1970	61,712	96,600	194,506	19,900,000
1980	106,602	138,397	265,902	24,900,000
1990	164,730	185,175*	370,522	29,760,021

Source: 1940-1990 Census, Department of Finance, 1990. * Population for Modesto Urban Area is estimated using housing unit figures from the Modesto Land Use file and applying Modesto's vacancy rate and persons per household figures.

The City's future growth will occur on land within the City's Urban Sphere in a series of urban villages and on vacant parcels within the City's current sewer service area.

FIGURE 3-B

Population Projections, 1990-2005

Year	<u>City of Modesto (a)</u>		<u>Stanislaus County (b)</u>		<u>State of California (b)</u>	
	Population	Rate	Population	Rate	Population	Rate
1990	164,730	-	370,522	-	29,760,021	-
1995	207,707	4.75%	445,700	3.76%	33,373,000	2.32%
2000	244,850	3.35%	502,300	2.42%	36,259,000	1.67%
2005	284,064	3.02%	558,200	2.13%	38,980,000	1.46%

(a) Modesto Planning Department, September 1991

(b) California Department of Finance, April 1991

Substandard Units

Housing units 30 years of age or older may need rehabilitation. The 30-year figure is the accepted standard for defining older housing stock potentially in need of rehabilitation, roofing as but one example. In 1991, approximately 22 percent of the City's housing stock was built before 1960. A windshield survey of the City's housing stock condition was taken in 1988. This survey revealed that the majority of the City's housing stock is in good condition. However, with such a large proportion of the City's housing stock nearing 30 years of age, continued maintenance of this older housing will be essential to prevent widespread housing deterioration.

The City's 1988-1991 Housing Assistance Plan (now replaced by the Comprehensive Housing Affordability Strategy, or CHAS) identifies a total of 5,246 existing housing units which are suitable for rehabilitation. In addition, as identified in the Technical Appendix, 250 housing units within the City of Modesto are not suitable for rehabilitation and should be replaced.

The residential units that currently exhibit structural deterioration are predominantly concentrated in the City's older sections, such as the downtown, west and south areas. A portion of the west area is encompassed within the City's Housing Maintenance Program and is eligible for rehabilitation loans at below

market rates. Rehabilitation improvements will continue to be encouraged in these areas. The Housing Element sets forth policies and programs to encourage the maintenance of the City's housing stock. The policies aim to:

- Encourage the maintenance of the existing stock;
- Encourage the rehabilitation of substandard and deteriorating housing;
- Promote the removal and replacement of substandard units which cannot be rehabilitated.

Preservation of At-Risk Housing Units

The City of Modesto has eight low- and moderate-income rental housing projects which were provided with low-interest loans and rent subsidies through various programs administered by the Department of Housing and Urban Development (HUD) and the Federal Housing Administration (FHA). The majority of units within the projects listed are potentially at-risk of converting to market rate units. Seven of these projects are due to terminate within the 1992-1997 time frame and one project is subject to termination between 1997 and 2002.

Termination of a subsidy program will lift all rent restrictions, as well as restrictions on the incomes of the people living in the projects. Owners will be free to convert their projects to market rate rentals, or condominiums. Conversion to non-residential uses is a remote possibility. Any conversion of units could result in displacement and/or an economic hardship to many of the tenants.

As highlighted in the figures below, some of the at-risk projects are subject to different regulatory programs, such as those with non-renewal Section 8 rental assistance contracts. However, these projects may meet the provisions of new federal law which is designed to minimize conversion of the projects, for instance the El Casa Verde I and II. Other projects may be subject to advance notice provisions or have other use restrictions such as mortgage restrictions and rental assistance contracts subject to special provisions. In the event of any potential tenant displacement, the City will seek to preserve, for its low-income households, the units in assisted housing developments that are eligible to change to non-low-income uses, due to terminations of subsidy contracts, mortgage prepayment, or expiration of use restrictions.

Figures 3-C and 3-D list the five-year inventory of low-income rental projects subject to termination of Federal mortgages and/or rent subsidies. The projects are owned by individuals, partnerships, and nonprofit organizations.

FIGURE 3-C
Five-Year Inventory (1992-1997) of Low-Income Rental Units
Subject to Termination of Federal Mortgage and/or Rent Subsidies

Project Name Address, Zip	Owner Name Address, Zip	FHA Project/ Section	Section 8 Contract # and Type	Total FHA Units/Total Sec. 8 Units /Total Units	Earliest Termination Date: FHA and/or Section 8
El Casa Verde I 1513-B Robertson Rd. Modesto, 95351	W. Glenn Nobmann PO Box 235 Richmond, 94808	221 (d)(3) Mkt Rate <u>MF*</u>	Existing	FHA -110 <u>Sec. 8 -110</u> 110 Total	Sec. 8: 8/13/1992
El Casa Verde II 1513-B Robertson Rd. Modesto, 95351	W. Glenn Nobmann PO Box 235 Richmond, 94808	221(d)(3) Mkt Rate <u>MF</u>	Existing	FHA -32 <u>Sec. 8 -32</u> 32 Total	Sec. 8: 8/13/1992
Cameron Villa Apts. 160 Mark Randy Place Modesto, 95350	Consolid. Properties 2001 N. Van Ness Fresno, 93704	221(d)(4) <u>MF</u>	New Con.	FHA -68 <u>Sec. 8 -68</u> 68 Total	Sec. 8: 3/27/1993
Parkview Christian Estates 3112 Napier Drive Modesto, 95351	Parkview Christian 3112 Napier Drive Modesto, 95351	231 Elderly	Existing	FHA -99 <u>Sec. 8 -60</u> 99 Total	Sec. 8: 12/31/1993
Neighborhood Manor 1200 Woodrow Ave. Modesto, 95350	Nghbrhd Manor 1200 Woodrow Ave. Modesto, 95350	231 Elderly	Existing	FHA -104 <u>Sec. 8 -20</u> 104 Total	FHA: 4/03/2009 Sec. 8: 5/22/1994
Vinewood Apartments 2600 Standiford Modesto, 95350	Am Diversified 3200 Park Center, S. Costa Mesa, 92626	221(d)(4) <u>MF</u>	New Con.	FHA -75 <u>Sec. 8 -75</u> 75 Total	Sec. 8: 3/06/1995
Ralston Tower 900 17th Street Modesto, 95354	Mdsto Affl Hsg 900 17th Street Modesto, 95354	236(J)(1) Elderly	Section 8 Existing	FHA -180 <u>Sec. 8 -109</u> 180 Total	FHA: 2/15/2025 Sec. 8: 8/13/1996

*MF= Multi-family Housing Projects

FIGURE 3-D
Inventory of Low-Income Rental Units Subject to Termination
of Federal Mortgage and/or Rent Subsidies, 1997-2002

Project Name Address, Zip	Owner Name Address, Zip	FHA Project/ Section	Section 8 Contract # and Type	Total FHA Units/Total Sec. 8 Units /Total Units	Earliest Termination Date: FHA and/or Section 8
Yosemite Gardens 2833 Yosemite Blvd. Modesto, 95351	Lincoln Yosemite 553 Pilgrim Drive Foster City, 94404	221(d)(4) <u>Multi-</u> <u>family</u>	New Con.	FHA -217 <u>Sec. 8 -44</u> 217 Total	Sec. 8: 5/01/2001

The City estimates that by the year 1997, a total of fifteen privately-owned housing projects will technically be at-risk of converting to market rate. Seven of the projects are funded by federal rent subsidies; five are assisted by multi-family mortgage revenue bonds; and three projects with density bonuses. Potentially, by the year 2002, a total of 1,244 units within the City of Modesto are at-risk, of which 383 are elderly units, and 861 are non-elderly units. The chart below reflects an annual summary of at-risk projects by elderly and non-elderly units, from 1992 to 1997; which reflects this Housing Element's planning period.

Annual Summary of At-Risk Projects to 1992 - 1997

<u>Year</u>	<u>Elderly</u>	<u>Non-Elderly</u>
1992	—	142
1993	99	68
1994	20	—
1995	—	182
1996	109	86
1997	—	—
TOTAL	228	478

Projects financed through various local, state and federal subsidy programs provide the owners with certain incentives to make the cost of operating the project more economically feasible and help allow the cost of renting the unit to be more affordable to lower-income families.

FIGURE 3-E
Bond Financed and Density Bonus Projects
At-Risk of Conversion Between 1992-2002

Project Name and Location	Type of Program Assistance	Number of Affordable Units At-Risk	Years to Monitor	Date of Expiration
Oakhaven 2112 Floyd Avenue	MF Mortgage Revenue Bonds	10 Low-income 10 Very Low-income	10	3/1995
Westdale Commons 4121 Dale Road	MF Mortgage Revenue Bonds	44 Low-income	10	8/1/1995
Stonebridge 2800 Braden	MF Mortgage Revenue Bonds	58 Low-income	20	3/1/2006
Valley Oaks 2300 Oakdale Road	MF Mortgage Revenue Bonds	21 Low-income 21 Very Low-income	15	11/1/2000
Park Lakewood 1500 Lakewood	MF Mortgage Revenue Bonds	12 Low-income 12 Very Low-income	10	4/1996
Meadow Lake 1401 Lakewood	MF Mortgage Revenue Bonds	20 Low-income 20 Very Low-income	10	8/1/1995
Shadowbrook 3001 Hahn	MF Mortgage Revenue Bonds	30 Low-income 30 Very Low-income	10	8/1/1996
Live Oak 1900 Oakdale Road	MF Mortgage Revenue Bonds	66 Very-low income	15	8/1/2003
Ken Diehl Project location-	Density Bonus 1317 Carver Rd., Mod.	1 Very-low income	10	7/1995
Ken Diehl Project location-	Density Bonus 1535 Rose, Modesto	2 Very-low income	10	9/1/1996
Irwin Steinpress Project location-	Density Bonus 601 N. Emerald, Mod.	2 Very-low income	10	8/1995

It has come to the City's attention that the project owners of the Westdale Commons intend to refinance their mortgage for more favorable interest rates. Thus, when this occurs, the 44 low-income units will remain as low-income units until the year 2005.

The following exhibit indicates the Section 8 Moderate Rehabilitation units that are at-risk of conversion and should be noted in the next Housing Element Update in 1997.

FIGURE 3-F
Section 8 Moderate Rehabilitation Units
At-Risk of Conversion in 1998-99
(within the City of Modesto)

Project Location(s)	Owner Name	Earliest Date of Termination	Number of Units
406, 408, 410, 412, 414, 416, 418, 420, and 422 Sierra Ave.	Robert Redenbaugh	5/12 thru 11/17/1998	9
1433, 1433 1/2,	Domingo Sanchez	2/28/1998	2
800 Sutter (A, B, C & D)	Lee Ayers	11/03/1998	4
804 Sutter (A, B, C, & D)			4
808 Sutter (A, B, C, & D)	Lee Ayers	11/25/1998	4
812 Sutter (A, B, C, & D)			4
816 Sutter (A, B, C, & D)	Lee Ayers	10/06/1998	4
820 Sutter (A, B, C, & D)			4
824 Sutter (A, B, C, & D)	Lee Ayers	09/21/1998	4
828 Sutter (A, B, C, & D)			4
808 A, 812 A & B, 816 A & B, 820 A & B, 824 A & B, and 828 A & B Clementa	Lee Ayers	08/22/1998	11
722 7th Street (#'s 1-4)	Jeffrey Pierce	08/12/1998	4
318 and 318 1/2 Laurel	Leon Schaeffer	01/31/1999	2

Location and Market Area:

Several factors were considered when determining the projects that were most likely to convert to market-rate housing. Factors to consider are the location, market area, and physical condition of the units at risk. A high percentage of the at-risk projects are concentrated in low-income neighborhoods, which are plagued with a variety of economic and related social problems. Thus, these projects are not likely to convert in the near future.

Physical Location of the Projects:

Based on the generally satisfactory physical condition of the majority of the projects, physical condition would not necessarily affect the marketability of the units as market rate units. Their location in low-income neighborhoods, with the accompanying economic and social problems, however, would be more likely to affect their marketability.

City Program Objectives

The City objectives for conserving the at-risk units for the period of the current Housing Element (1990-1997) include an objective to preserve all (1,244) assisted units at-risk of losing government assistance over the next ten years.

Cost Analysis of At-Risk Assisted Units

Replacement cost of at-risk units

The City of Modesto arrived at an estimated cost to produce comparable units to replace those at-risk by reviewing actual costs paid by sources such as: (a) the Stanislaus County Housing Authority for a public housing project; (b) the Building Inspection Division for the cost per unit of a project currently under construction; (c) one local private developer who constructs projects within the Section 8 income range; and (d) one nonprofit housing corporation planning to construct affordable units in the city.

Multi-family housing construction costs vary according to the number of units built, size of the units, and the amenities (swimming pool, tennis court, recreation center). The greater number of units and the larger the units, the less the units will cost per square foot. As an example, in Modesto in 1991, the cost to build a 144-unit apartment complex, would be about \$52.00 a square foot, with each unit averaging 814 square feet. This equates to an average per unit cost of approximately \$42,000. This estimate includes land and construction costs, financing, marketing and profit.

FIGURE 3-G
1991 Estimated Cost of a New 144-Unit
Multi-family Apartment Complex*

Average Unit Size	Price Per Square Foot	Average Unit Cost	Total Cost (144 Units)
814 sq. ft.	\$52.00	\$42,000	\$6,048,000

*(includes land, financing costs, etc.)

Preservation Cost of At-Risk Units

The cost to preserve housing is often more expensive than replacing it. The age, condition and maintenance record of housing plays a major role in the preservation cost. It is more difficult to place a cost on preserving existing units over time, because of a large number of components not easily estimated.

The City Planning staff checked with several housing management companies which currently manage multi-family housing projects to determine the approximate cost per unit to maintain and operate an existing project. For example, the Stanislaus County Housing Authority estimates that a 100-unit, multi-family complex would cost \$288,000 annually for operation and maintenance.

Notification Process of At-Risk Units

According to the guidelines established by the U.S. Dept. of Housing and Urban Development (HUD), for units determined to be at-risk, such as HUD assisted projects (Section 221(d)(3), Section 236), owners must file a notice of intent to change the status of the project. This notice of intent must also include a plan of action filed subsequently with HUD, the chief executive officer of the appropriate local government, the mortgagee and the affected tenants up to two years prior to the scheduled prepayment date.

Following the receipt of the owner's notice of intent, the City of Modesto (or affected local jurisdiction) should make an effort to notify all existing non-profits in the area. The non-profits should have a proven capability or interest in acquiring and operating low-income housing.

HCD has initiated the Rental Preservation Program (RPP) to assist in the preservation of California's affordable subsidized housing stock. This program allows interested entities the opportunity to purchase certain federally-assisted

rental housing developments. The opportunity to purchase applies to developments where owners have either (a) given notice of their intent to prepay or terminate low-income use requirements, or (b) plan to discontinue the use of the development as assisted housing. HCD notifies local entities (such as the Stanislaus County Housing Authority) indicating that a local project owner has filed to prepay or terminate low-income use requirements.

If an owner offers property for sale to "priority" purchasers (non-profits) for 12 months and the sale falls through, the owner can then offer to sell the development to a qualified purchaser for three months. If the sale falls through or there are no bona fide offers, the owner can then prepay and terminate the low-income requirements.

Entities with the Potential Capacity to Acquire and Manage Assisted-Housing Units

The Stanislaus County Housing Authority is one entity with the potential capacity to acquire and manage the assisted at-risk projects. The Housing Authority has had many years of managing and operating experience of low-income housing projects. While the Housing Authority may initially provide staff experienced in operating and managing such projects, they would need to acquire resources to buy and manage these units.

Possible Financial Sources Which Could be Used to Preserve At-Risk Projects

1. Community Development Block Grant Funds (CDBG)

The City of Modesto's current annual CDBG entitlement amount is \$ 1.3 million, of which about 80% to 90% is used for housing assistance each year. The majority of funds allocated under the CDBG entitlement are used for the Housing Maintenance Program, which is a mandatory code enforcement program. Currently, the CDBG funding is used to assist several programs and services throughout the City of Modesto. Taking this into consideration, about 10 percent or \$100,000 a year may possibly be used to preserve at-risk projects in the future. To be able to commit CDBG funds to preserving at-risk developments, the City of Modesto would have to modify or revise its existing priorities for CDBG expenditures.

2. Redevelopment 20 Percent Set-Aside Tax-increment Funds

State law requires redevelopment agencies to set aside at least 20 percent of the tax increment revenues for increasing and improving the City's supply of low- and moderate-income housing. There are no funds or reserves available for preservation of at-risk units at this time. However, the City of Modesto is in the process of expanding its current redevelopment area. When this occurs, it is possible that some of the tax increment monies collected can potentially be used for preserving the at-risk housing projects. Our Redevelopment Agency estimates that by 1997, there may be as much as one million dollars in tax increment set-aside funds for low- and moderate-income housing. At this time it has not been determined how these funds will be used.

3. HOME Investment Partnerships Program

The HOME Program was created under Title II of the National Affordable Housing Act of 1990 to provide financial and technical assistance in the development of affordable low-income housing. The HOME Program permits the use of funds for rehabilitation, as long as the matching funds requirement is met. Congress has waived the matching requirement for HOME funds allocated in FY 1992. If this waiver is not extended in future years, matching funds for HOME-assisted projects will be calculated on a case-by-case basis. Eligible matching sources can include contributions from State/local governments or private sources. If funds received from the HOME program can be matched, the City can potentially use HOME funds to assist in the preservation of at-risk housing projects.

4. Stanislaus County Housing Authority

The Stanislaus County Housing Authority has a local reserve fund. These funds have currently been committed for use in the development of new housing projects already planned by the Housing Authority. During the next five (5) years, however, the Authority anticipates that there will be approximately \$250,000 to \$300,000 annually in additional reserve funds. A portion of these funds could potentially be utilized in the case of a project that has "opted out" of its low-income provisions.

Establishment of a Policy

The City of Modesto should establish a policy, quantified objective, and program for the preservation of housing projects at-risk of conversion.

EXAMPLE: Policy 1

The City of Modesto should make a maximum effort to preserve, for its low-income households, the units in assisted housing developments that are eligible to change to non-low-income uses, due to terminations of subsidy contracts, mortgage prepayment, or expiration of use restrictions.

EXAMPLE: Program, Objective:

The City of Modesto's program should ensure that assisted at-risk units do not convert to non-low-income uses. The 1990-1997 objective for the units at-risk program is to preserve all assisted multi-family rental units at-risk of losing government assistance over the next five years.

The Planning and Community Development's Housing Program Office shall continue to monitor the City's assisted housing projects. The City should keep in touch with the necessary agencies and sources, such as the Housing Authority, the owners of the at-risk units, HCD and HUD. This contact is essential and will help the city to be aware of any situation where assisted units are in danger of converting to non-low-income housing uses.

The Housing Program Office can continue to work with the California Housing Partnership Corporation (CHPC). The CHPC provides support to localities and nonprofit housing corporations in addressing a wide range of preservation opportunities.

The City of Modesto will continue to work with HUD, to ensure that any notification of potential sales of at-risk units are forwarded to the City. Any owners of projects at-risk of conversion must notify HUD of any impending sales or conversion and if they plan to prepay their mortgages and/or if they decide not renew their Section 8 contracts.

In addition to the above monitoring, the City of Modesto's Planning and Community Development Department will continue to respond to any situations dealing with housing projects at-risk of conversion. The department will use any available resources to preserve the units for lower-income households. Depending on the feasibility, political support, availability of funding and the specific situation(s), the City will take the following actions:

1. Negotiate with the project owners and persuade them to retain the units for lower-income households;
2. Assist non-profit housing corporations in obtaining financing to purchase projects;
3. Use of CDBG or other funds to purchase or subsidize a project or projects;
4. Apply to HUD and/or the State Department of Housing and Community Development for financial and technical assistance;
5. Consider using a City bond financing program such as the Multi-family Revenue Bonds as used in previous years.

Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, safe and affordable housing due to special circumstances. In Modesto, the special needs groups include lower-income and minority households, the elderly, handicapped persons, farmworkers, large families, female-headed households, and the homeless. Figure 3-H below illustrates the number of persons or households in these special needs groups.

**FIGURE 3-H
Summary of Special Needs Groups**

<u>Special Needs Group</u>	<u>Number of Persons/Households</u>	<u>% of Total Population/ Households</u>
Elderly – ages 60+ (a)	22,915 (P)	14%
Handicapped --ages 16-64 (b)	13,590 (P)	8%
Large Families (a)	7,671 (H)	13%
Farmworkers (c)	244 (H)	.04%
Homeless (a)	248 (P)	.01%
Female-headed Households (a)	15,987 (H)	28%

Source: (a) 1990 Census, (b) City Planning Estimate, 1991, (c) SAAG Regional Housing Needs Report, 1990.
NOTE: Percentages will not total 100% since each category is not mutually exclusive. A single household may appear in more than one category. (P) – # of Persons, (H) – # of Households.

Elderly: The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. In 1990, 22,915 persons or 14 percent of the City's population was 60 years of age or older.

The 1988-1991 Housing Assistance Plan identifies 1,455 elderly households in need of rental assistance. Rising housing costs, particularly in the rental market, adversely impact housing affordability for fixed-income elderly residents. The housing needs of the elderly can be addressed through the provision of smaller units, second units on lots with existing homes, congregate housing, mobile homes, and housing assistance programs.

Handicapped (Disabled): Physical handicaps can hinder access to housing units of normal design as well as limit the ability to earn adequate income. Housing opportunities for the handicapped can be maximized through housing assistance programs, such as the City's Handicapped Barrier Removal Program. Also, single-level units, ground floor units, and units which incorporate design features such as widened doorways, access ramps, and lowered counter-tops, are all ways in which housing can become more accessible to a handicapped person. The Housing Element sets policies to implement State standards for the provision of handicapped accessible units in new multi-family developments, and in addition, to encourage housing which is provided for the handicapped to be located in close proximity to public transportation and services. The Fair Housing Act of 1988 requires owners/landlords of rental housing to permit reasonable modifications to be made to the unit to improve handicapped accessibility at the expense of the tenant.

Female-headed Households: Female-headed households tend to have low incomes, thus limiting housing availability. In 1990, 27.5 percent or 15,987 households in Modesto were headed by females, many of which have dependent children under 18 years of age. Providing housing opportunities for female-headed households relates to both affordability and child care services. The Housing Element sets forth a policy to encourage the development of child care facilities coincident with new housing development, which is also encouraged in the Village One Specific Plan, adopted October 16, 1990.

Farmworkers: The special housing needs of farmworkers stem from their low wages and the seasonal nature of their employment. An estimated 244 families in Modesto, are employed in agricultural-related fields and are in need of housing. Thus, the demand for housing generated by farmworkers in the City is relatively low. Nonetheless, housing opportunities for farmworkers can be enhanced by expanding the City's affordable housing stock and by continuing to work with the Stanislaus County Housing Authority, which currently provides 91 housing units to farmworkers within the City of Modesto.

Homeless: The housing needs of those seeking emergency shelter and or transitional shelter has increased dramatically in the last ten years. The fastest growing population of those in need of shelter are families with children. Factors contributing to the rise in the homeless population include the lack of affordable housing, increases in the number of persons who fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill.

According to the 1990 Census, there were approximately 248 homeless persons within the City of Modesto. Agencies providing temporary housing assistance for the City's homeless population include the Modesto Men's and Women's Gospel Mission and the Community Temporary Shelter Service Coalition. These agencies not only provide temporary lodging, but also offer counseling services, as well as meals and/or emergency food. For further information on the numbers of homeless persons served by these agencies, please refer to the Housing Element Technical Appendix Chapter 2.0, Section 2.4: Groups With Special Housing Needs.

The City of Modesto, in cooperation with Federal Department of Housing and Urban Development (HUD) and the Community Temporary Shelter Service Coalition (CTSSC), is participating in a program to provide single-family residences for homeless families seeking permanent housing. The City of Modesto is leasing three houses from HUD for \$1.00 per year. CTSSC assists with the selection of the families. A modest rent is collected to cover the operating costs (such as taxes, utilities, and maintenance) of the houses.

Housing Affordability

In evaluating housing affordability, households are divided into four income categories relative to the median household income for Stanislaus County. The 1990 median income, as set by the Housing and Urban Development Department (HUD), for Stanislaus County was estimated to be \$32,500 for a family of four. The following illustrates how the four income categories are divided:

Very-Low-Income:	Households who earn 50% or less of the median area income.
Low-Income:	Households who earn between 50% and 80% of the area median income.
Moderate-Income:	Households who earn between 80% and 120% of the area median income. (100% of the area median income for 1990 is \$32,500 for a family of four in Stanislaus County.)
Above-Moderate-Income:	Households who earn above 120% of the area median income.

Overpayment

An important issue in housing affordability is the concern of how many households are overpaying for housing. Housing overpayment is based on an income-to-housing ratio of 30 percent and above. Households paying greater than 30 percent of their income on housing will have less income left over for other necessities, such as food, clothing and health care. It is recognized, however, that households in the moderate and above-moderate categories are generally capable of paying a larger portion of their income on housing, and therefore estimates for housing overpayment are generally focused on lower income groups.

At this time, data on overpayment is not available from the 1990 Census. However, by interpolating data from the 1980 Census, (and information from the State Department of Housing & Community Development), the minimum number of lower income households overpaying for housing can be estimated. It is estimated that in 1991, there were a total of 11,586 lower income households (8,956 renters and 2,630 owners) overpaying for housing. [For further information on overpayment, see Technical Appendix Section 4.0, pages 4-12 and 4-13.]

The distinction between renter and owner housing overpayment is important because while homeowners may extend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market, and are generally required to pay the rent established in that market.

3.2 Housing Constraints

Actual or potential constraints on the provision and cost of housing affect the development of new housing as well as the maintenance of existing units for all income levels. Non-governmental (market), and governmental constraints that affect the development of housing are discussed below.

Non-governmental (Market) Constraints

The high cost of renting or buying adequate housing is the primary ongoing constraint to providing affordable housing in the City of Modesto, although our past performance has been exemplary. Construction costs, land costs, labor costs, and market financing constraints are all contributing to increases in the availability of affordable housing.

Financing Costs

The costs of financing residential development is, to a great extent, dependent on national economic trends and policy decisions. Interest rates for residential development, such as construction loans and permanent financing, are tied to the private market and fluctuate depending on the prime rate or other market indicators. In addition to interest rates, loan terms and conditions can vary and are affected by the availability of funds both in the primary and secondary loan markets.

Currently, mortgage rates are at a record low (1/1992) with a variety of mortgage financing options available. Fixed rate mortgage loans with a 30-year term had interest rates varying from 7.75 to 8.50 percent. Adjustable Rate Mortgages were available at rates starting at 4.50 to 7.25 percent, but the actual annual percentage rate was more in the range of 8.50 to 11.75 percent. However, the interest rate percentages do not include lender fees. These fees can be as much as one to three percent of the actual loan amount.

Interest rates are an important factor in residential financing because, as interest rates increase, more potential homebuyers are excluded from the market. For example, a \$100,000 fixed rate, 30-year mortgage at ten percent, requires a \$878 monthly mortgage payment, while the payment on the same mortgage at nine percent is \$805, a difference of \$73 per month. A mortgage at a lower interest rate can be the deciding factor in whether a home buyer "qualifies" for a loan.

Land and Construction Costs

Land costs for new residential development may vary depending on the location, size and type of development. Factors that further increase the cost of new residential development include construction costs, financing costs, and infrastructure costs.

Similar factors influence the cost of single family and multi-family housing construction. The amount of costs vary, depending on the labor and material costs, land costs, as well as the price of fees and permits. Multi-family construction costs vary according to the number of units built, size of the units, and the amenities (swimming pool, tennis court, recreation center). The greater number of units and the smaller the units, the less the units will cost per square foot. As an example, an estimated cost to build a 144-unit apartment complex, would be about \$52.00 a square foot, with each unit averaging 814 square feet. This equates to an average per unit cost of approximately \$42,000. (This estimate includes land and construction costs, financing, marketing and profit.)

In regards to single family construction, the following two exhibits reflect the typical costs of a new 1,200 square-foot single family house and a new 2,200 square-foot house in the City of Modesto.

FIGURE 3-I
Total Costs for a New 1,200 Square-Foot
Single Family Home, 1988-1990

1,200 SQUARE-FOOT HOUSE			
	<u>1988 Cost</u>	<u>1989 Cost</u>	<u>1990 Cost</u>
Hard Cost	\$38,044	\$40,800	\$42,800
Soft Cost	11,527	12,670	13,300
Land Cost	21,400	32,000	40,000 (1)
Fees	4,204	5,104	7,604
Profit	\$6,625	6,926	7,272
TOTAL	\$81,800	\$97,500	\$110,976

(1) based on \$120,000 an acre plus improvements

Source: Building Industry Association of Central California

FIGURE 3-J
Total Costs for a New 2,200 Square-Foot
Single Family Home 1988-1990

2,200 SQUARE FOOT-HOUSE			
	<u>1988 Cost</u>	<u>1989 Cost</u>	<u>1990 Cost</u>
Hard Cost	\$68,800	\$73,600	\$77,300
Soft Cost	14,900	16,400	17,200
Land Cost	21,400	32,000	40,000 (1)
Fees	5,800	6,700	9,200
Profit	12,300	13,100	13,700
TOTAL	\$123,200	\$141,800	\$157,400

(1) based on \$120,000 an acre plus improvements

Source: Building Industry Association of Central California

Governmental Constraints

Housing affordability is affected by factors in both the private and public sectors. Actions by the City of Modesto as well as state and federal governmental actions can have an impact on the price and availability of housing in the City. Land use controls; building codes; development and infrastructure fees; site improvement requirements; and other state and federal programs (such as Article 34) intended to improve the overall quality of housing may serve as a constraint to housing development within the City of Modesto.

Land Use Controls

In 1974, the City Council adopted an Urban Growth Policy which established a process and criteria for evaluating the need for expanding sewer service to new areas for residential development. The Urban Growth Policy includes an annual inventory of vacant residential land for the purpose of determining the need for sewer trunk extensions. One of the goals of the Urban Growth Policy is to maintain a three to five year supply of vacant residential land. In 1979, the citizens of Modesto passed the Modesto Citizen's Advisory Growth Management Act (Measure A) which requires the City to hold an advisory vote of the citizens prior to extending sanitary sewer service into areas outside of the Current Sewer Service Area. The 1974 Urban Growth Policy was amended in 1979 to incorporate Measure A.

In 1989, the City adopted an Urban Growth Management Strategy calling for future urban expansion in the Urban Reserve to occur in comprehensive planning areas known as "villages". The priorities for further sewer trunk extensions and village development are influenced by an EPA mitigation measure which requires that the City directs new growth toward areas of poorer soils first, to the east and northeast.

Measure A has, in the past, been a constraint to development of housing. During the period of the preceding Housing Element, two ballot measures to extend sewer trunks for new development were defeated. Responding to the concerns expressed regarding new growth, the City formed a citizens committee (the Urban Growth Committee) to build a community consensus on how Modesto should grow. Out of this committee came two major recommendations: 1) That new growth should mitigate the impacts it creates through the payment of Capital Facilities Fees (see below), and 2) that Modesto should grow through a series of pre-planned "villages".

These recommendations were adopted by the City Council and incorporated into the City's Urban Growth Policy. The strategy has been successful in mitigating the effect of Measure A, as Village One, the first effort resulting from this strategy, was

approved by the voters in 1990. Thus the Urban Growth Policy is not a constraint to the development of new housing.

Building Codes and Enforcement

The City of Modesto enforces the Uniform Building Code (UBC), and related codes throughout the City. The UBC is necessary for the proper construction and maintenance of safe and decent housing and is not considered a constraint to development. Energy conservation requirements are enforced through Title 24 regulations. Title 24 of the State Code, contains energy conservation standards that provide guidelines for residential construction in regard to energy conservation, such as appropriate wall, floor and ceiling insulation. The Title 24 regulations are not considered as constraints to development since they promote a more energy-efficient residential environment. City Building Inspectors, from the Public Works and Transportation Department, plan check new residential development for building code compliance and energy efficiency, as well as investigate violations to the Building Code on a complaint basis.

Article 34

Article 34 of the California State Constitution requires that public entities obtain voter approval before they "develop, construct or acquire" a public housing project. The provision of this state law can represent a significant governmental constraint because there is often considerable public opposition to these types of projects at the neighborhood level. However, since 1972, the voters of Modesto have approved three public housing referendums for a total endorsement of 1,300 units. To date, 396 authorized units have been built by the Stanislaus County Housing Authority. A total of 904 voter-approved units remain unbuilt. Currently, the Housing Authority has project applications for 120 senior units and 30 family units, pending the securing of project financing.

Zoning

The City of Modesto has three residential zones: R-1, R-2, and R-3. The R-1 Zone allows single-family development with a minimum lot size of 5,000 square feet. The R-1 Zone also allows second units as a use of right on corner lots, and second units on other lots with plot plan review. The R-2 and R-3 Zones allow multi-family development at maximum densities of 14 dwelling units per acre (du./ac) and 27 du/ac respectively. In addition, the City grants Planned Development (P-D) zoning to allow for development options beyond what is allowed in the standard residential zones (e.g., small-lot patio housing, high-density senior housing).

The City does not consider its zoning standards to be a constraint on development. The minimum lot sizes, maximum permitted densities, and provisions for allowing second units, together with the special provisions of the Planned Development Zone, are all aimed at maximizing density. This is consistent with one of the goals of the Urban Growth Policy (see above) which calls for maintaining an overall minimum density of 7.5 dwelling units per net acre. Modesto's current overall density of 7.57 du/ac and is among the highest in the Central Valley.

Development Standards

The City's development standards for new residential development are meant to ensure compatibility between land uses and to maintain the livability and safety of its neighborhoods. Development standards include parking standards, building setback requirements, landscaping and fencing requirements for multi-family housing, and construction of certain on-site and off-site improvements such as curbs, gutters, and sidewalks.

Parking standards require two spaces per dwelling unit, except for multi-family projects over 35 units, which require 1.5 spaces/dwelling unit for units in excess of 36. Building setbacks are 15 feet for the front yard (20 feet for garages), and five feet for the side and rear yards. A setback of 40 feet is required for two-story multi-family structures adjacent to single-family housing, to maintain compatibility. Screen landscaping and fencing are also required for multi-family projects adjacent to single-family housing, again to maintain compatibility. The requirement for the installation of curb, gutter, and sidewalk is for public health and safety reasons.

These standards are not a constraint to the development of housing because they are considered minimum standards designed to protect the public health, ensure

compatibility between adjacent land uses, and to maintain and enhance the livability of Modesto's neighborhoods.

Developer Fees

From the late 1970's, until the late 1980's, the City was losing ground on financing for public facilities. Broad-based funding for the Capital Improvement Program (CIP) of years past had dried up. At one time, half of the sales tax revenues had been pledged to the CIP. Now all sales tax revenues are committed to the operating budget. State and federal funding has dwindled. So has the City's ability to pass General Obligation Bonds and sales tax increases for transportation purposes.

The City was faced either with reducing its standards for capital infrastructure, or annually, greatly increasing its deficiency of needed unfunded projects, or developing a new revenue source -- developer fees. An advisory vote on urban growth suggested that a 1987 plan whereby new growth would pay for part of its infrastructure needs wasn't enough. Growth had to pay its way without future assumptions of broad-based funding support. Consequently, the City has adopted a set of comprehensive developer fees called Capital Facilities Fees (CFF). In addition, the County has adopted Public Facilities Fees (PFF) so that new growth will finance its capital needs. In addition, fees are included in the figure below for new growth areas such as the Village One Specific Plan area. As of January 1, 1991 the fees were:

**FIGURE 3-K
Developer Fees, 1991**

<u>City CFF</u>	<u>Dwelling Unit Type</u>	<u>County PFF</u>	<u>Total</u>
\$5,275	Single-family residence	\$3,484	\$8,759
\$4,029	Mobile home, each unit of a duplex	\$2,288	\$6,217
\$3,338	Multiple family unit	\$2,288	\$5,626
\$2,641	Multiple family unit limited to occupancy by senior citizens	\$1,871	\$4,512
<u>Estimated Fees For New Growth Areas*</u>			
\$18,700	Single Family home		
\$13,700	Multi-family unit		

*Includes CFF and PFF and potential school fees.

In addition, the school districts have a \$1.58 per square foot developer fee for residential uses. This fee does not cover total school expenses but it is all that will be collected in the City's existing urban area. New growth areas within the City's urban reserve will have to participate in a schools' Mello Roos District with anticipated costs of \$10,000 to \$12,000 per dwelling unit for the elementary school districts (K-6 and 7-8 facilities) and the high school district (9-12 facilities).

Fees for development in the new Village planning areas will probably be somewhat higher than current city-wide fees. Specific Plan area fees such as Area of Benefit Assessment districts, homeowner association dues, maintenance districts, and other special fees may be necessary to fund the required infrastructure to City standards.

Exemptions in the form of fee waivers or deferrals are available for the City's Capital Facility Fees (CFF).^{*} The Stanislaus County Housing Authority and other nonprofit sponsors of housing for very-low-income households are exempt from the City's CFF, including projects to be developed in Village One. For new multi-family projects with density bonuses, serving very-low and low-income households, the City's CFF can be deferred. [See Chapter 4.0 Housing Element Program 2c.2 for further information.]

^{*}It must be noted that exemptions or fee deferrals pertain to the City's fees and not school district fees. According to Deborah Bailey, Modesto City Schools Director of Planning and Research, "the schools cannot afford to extend similar considerations since lower income housing tends to generate more school-age population than housing in general and therefore creates greater impacts on the schools."

Local Processing and Permit Procedures

The City of Modesto has a good reputation for reasonably quick and efficient processing of development and building applications and permits. The following chart outlines the City's processing times and costs, as of January 1, 1991.

FIGURE 3-L
Local Processing and Permit Procedures

<u>Application</u>	<u>Approximate Processing Time (In Weeks)</u>	<u>Application Fee</u>
P-D Zoning	18-20	\$885.00
Amend P-D Zone pursuant to Sec. 10-2.1709(b)	18-20	885.00
Amend P-D Zone pursuant to Sec. 10-2.1709(a)	12-14	635.00
Rezoning	18-20	800.00
Plot Plan Review		
for a satellite antenna for a single-family house	9-12	110.00
second-story addition	4	245.00
all other plot plan reviews	9-12	440.00
Conditional Use Permit	9-12	635.00
Variance		
on a lot with a single-family house in the R-1, R-2, or R-3 zone	9-12	165.00
all others	9-12	675.00
Administrative Approval Revised Plans	1-2	20% of application fee
Tentative Subdivision Map	9-11	585.00
Tentative Parcel Map	9-11	530.00
Reversion to Acreage	9-11	515.00
Parcel Map Waiver	9-11	515.00
Lot Line Adjustment	4	120.00
Time Extension	9-11	125.00
Environmental Assessment		
initial study	3	415.00
staff evaluation special studies	2	380.00
Appeals	4-8	100.00
(of Planning Commission, Board of Zoning Adjustment, or staff decisions)		
Annexation	20	435.00
Abandonment		
(authority: C/C Res. No. 90-925)		
abandonment of Right of Way	18-20	695.00
walkway abandonment	18-20	115.00

3.3 Housing Opportunities

This section evaluates the potential residential development which could occur under the City's General Plan and Urban Growth Policy, within the next five years. It includes the vacant sites in the City's Current Sewer Service Area; Village One; and vacant sites within the City's Urban Reserve (or Sphere of Influence). Based on the analysis stated below, there is a sufficient inventory of land available to accommodate the City's current and projected Regional Housing Needs.

Vacant Sites in the Current Sewer Service Area

1. Vacant Subdivision Lots Within Recorded Final Maps

This category of vacant residential land consists of 292.7 acres of vacant lots in existing single-family subdivisions. A total of 1,447 vacant single-family lots are located in subdivisions throughout the City. Since these lots are located in single-family subdivisions, there is a potential for 1,447 total dwelling units that have the potential to be built upon. The inventory in this category will most likely develop first, because building permits can be issued at any time.

2. Vacant Residential Land With Approved Tentative Maps

This category of vacant land represents land within approved tentative subdivisions or other development approval. A total of 104.6 acres exists with a total of 808 potential dwelling units, which includes 447 single-family, 172 multi-family and 189 senior units. This inventory will likely develop after the vacant land within recorded final maps.

3. Balance of Vacant Residential Land

There are approximately 455.6 acres (gross acres) of vacant land located within the City of Modesto, with a potential 3,687 dwelling-unit-capacity. While there are some developable infill parcels, there are a variety of parcels that are not likely to develop in the near future. Thus, it is likely that only about one-half or 1,843 dwelling units could actually be built by 1997. Reasons for this include: parcels with long-time ownership by a family with no intention to sell or develop, and parcels that due to physical characteristics are not easily developable.

For more information, a neighborhood-by-neighborhood listing of the City's three categories of vacant land in the current sewer service are located in the Attachment Section of the Technical Appendix, as well as a map of potential residential land which illustrates the location of vacant parcels over one acre in size.

Village One

Village One is a planned mixed-use development that encompasses 1,784 acres, including 803 acres of residential land that will result in approximately 7,400 dwelling units. Village One employs many new planning concepts and provides for financing of all needed community facilities and infrastructure.

A Specific Plan, Financing Plan and Environmental Impact Report were approved by the Modesto City Council in October 1990. The area is currently undergoing annexation. Infrastructure plans and final financing arrangements will be complete by the end of 1992, and then the area will be ready for development.

The first phasing for development in Village One will be in the Village Center area. Precise plans for this area include higher density multi-family developments and small-lot single-family homes. A breakdown of housing types that are planned for Village One follows in this section.

Vacant Sites in the Urban Reserve Within the Next Five Years

The City's Urban Reserve is divided into eight Villages, plus five remnant neighborhoods. According to data compiled by the City Planning Department, the Urban Reserve totals 9,240 acres, and could result in approximately 40,400 dwelling units. However, due to the land use constraints discussed in Chapter 3, only Village One and two remnant neighborhoods are likely to develop by 1997.

The two remnant neighborhoods, NE McHenry and Beyer, total 171 and 161 acres respectively. These remnant areas, (also known as the "Claratina-Coffee Reorganization" and the "North Beyer Park Reorganization") have requested to be annexed to the City of Modesto. Applications for annexation of both remnant areas to the City of Modesto were received by the Stanislaus County LAFCO. A Draft Environmental Impact Report, has been prepared and is still in the environmental review process.

It is estimated that a potential of 1,882 new dwelling units could be built in the above two remnant neighborhoods by 1997. In addition, when annexation occurs, two mobilehome parks (with a total of 247 mobilehomes) will be annexed into the City. Of the estimated 1,882 new dwelling units, 578 will be single family, and 1,304 will be multi-family units.

Housing Opportunities for Manufactured Housing and the Homeless

In addition, State law requires that each Housing Element address specifically the land areas and sites available for particular types of housing and shelter of not only single family and multi-family sites, but sites for manufactured housing and emergency shelters and transitional housing as well.

Manufactured or Factory-Built Housing

Government Code Sections 65852.3 and 65852.4, as amended in 1988, provide for manufactured housing in single-family residential zones. These statutes require the City to allow the installation of manufactured homes on a permanent foundation on lots zoned for single-family residences. Manufactured homes must be certified under the 1974 National Manufactured Housing Construction and Safety Standards Act. The City may apply setback, side yard, parking, and other development standards which it would apply to a conventional house on the same lot.

Potential manufactured housing/mobile home park sites can be located in any residential area in the City, subject to an approved Planned Development Zone. Currently, there are not any undeveloped mobile home parks in Modesto. Although there are several sites in the Current Sewer Service Area that are suitable for a mobile home park, no requests have been received from the property owners of these sites for Planned Development zoning to allow a mobile home park. The City of Modesto has been in compliance with these statutes since their effective date. The City's Building Inspection Division requires only that the structure be attached to a permanent foundation and be in compliance with all applicable building regulations.

Emergency Shelters and Transitional Housing

The majority of homeless people within Modesto are located at various locations throughout the City. As noted in the Technical Appendix, there are several locations that provide shelter to the homeless. The Modesto Gospel Mission is in the process of expanding its facilities to serve more persons in need of emergency housing. The City of Modesto, HUD and Community Temporary Shelter Services have combined efforts to provide three single-family residences as transitional housing for three homeless families and are working to provide a fourth house.

The City of Modesto continues to permit emergency housing (homeless shelters) in commercial and in less restrictive residential zones, with a conditional use permit. The majority of the agencies that serve the homeless in Modesto are located either near the City's downtown -- the Salvation Army; or near industrial areas -- Men's and Women's Gospel Missions.

Assumptions and Data for Calculating Vacant Sites

Vacant Sites in the Current Sewer Service Area

The Modesto Planning and Community Development Department prepares an annual report, the Urban Growth Policy Review, that inventories vacant residential land in Modesto within the City's Current Sewer Service Area. The 1991 Urban Growth Policy Review shows that there are 854 acres of vacant residential land within the Current Sewer Service Area. Of this total, 293 acres are vacant lots in recorded final subdivisions, 105 acres are vacant parcels with approved tentative subdivision maps on them, and 456 acres are vacant parcels with no development approvals on them¹. The following is an analysis of potential dwelling units for each category of vacant land shown in the 1991 Urban Growth Review:

Vacant Subdivision Lots: This category consists of vacant lots in existing single-family subdivisions. Since these lots are located in single-family subdivisions, it was assumed that one house per lot would be developed. Although City of Modesto regulations allow duplexes on corner lots and second units on interior lots with plot plan approval, the great majority of single-family lots in Modesto develop with only a single home.

Figure 3-M
**Potential Dwelling Units on Existing
Vacant Subdivision Lots, Within the City of Modesto**

Total Acreage	Total Number of Lots	Total Potential Dwelling Units
292.7	1,447	1,447

Vacant Land With Approved Tentative Maps: This category represents land which has an approved tentative subdivision map or other development approval. Because these parcels have definite development plans, it is possible to accurately determine the number of dwelling units that will be built, assuming that development of these residential projects is carried through. Figure 3-N shows the acreage and the number of dwelling units of these approved developments, by zone. Note that there are two approved senior housing projects included.

¹ The published version of the 1991 Urban Growth Policy Review actually shows 449 acres of vacant parcels with no development approvals, and 847 acres total vacant residential land. An error of 7 acres was discovered in the report when compiling the data for the Housing Element.

Figure 3-N
**Potential Dwelling Units on Land With Approved Tentative Maps
or Other Development Approvals, Within The City of Modesto**

Zoning of Approved Projects	Acreage	Housing Units
R - 1	74.9	447
R - 2	7.1	76
R - 3	16.5	96
Senior	6.2	189
TOTAL	104.6	808

Vacant Land Without Development Approvals: This category represents land on which there are currently no approved development proposals. Therefore, it is possible only to estimate the number of dwelling units that could be built on this land. Figure 3-O shows the potential number of dwelling units that could be developed on this vacant land, if all parcels developed under the existing zoning. The vacant parcels in this category are currently zoned either R-1, R-2, or R-3 (for an explanation of these zones, see Zone in the Glossary). The first column shows gross acreage (that is, raw land, before street dedications). Then gross acreage is converted to net acreage. In the case of land zoned R-1, it was assumed that 25% of the land would be needed for streets. For land zoned R-2 and R-3, it was assumed that street dedication would be minimal, since apartment projects typically rely on private driveways for internal traffic circulation, rather than public streets. Then, an average density of development (dwelling units/net acre) was assumed for each zone, based on development standards for that zone and on existing project densities, to arrive at the number of potential dwelling units.

Figure 3-O
**Potential Dwelling Units on Vacant Land
Without Development Approvals, Within the City of Modesto**

Zone	Gross Acres	Net Acres	Average Density (dwell. units/net ac.)	Total Dwelling Units
R - 1	343.1	257.3 *	6	1,544
R - 2	50.6	48.1 *	14	673
R - 3	61.9	58.8 *	25	1,471
TOTAL	455.6			3,687

* For land zoned R-1, 25% is assumed for street dedication. For R-2 and R-3 land, 5% street dedication is assumed. See text.

The above methodology assumes that all vacant parcels will develop by 1997. However, this category of vacant land is composed of infill parcels, and some of these parcels are not likely to develop in the near future. There are a variety of reasons for this, some economic, some relating to the physical characteristics of the parcels, and some due to other factors such as long-time ownership by a family with no intention to develop or sell. It is difficult to estimate how many of these parcels will develop, but probably no more than 50% of the potential 3,600 dwelling units will be built by 1997.

Assumptions for Village One

The potential dwelling unit capacity for the Village One Specific Plan area is anticipated to be 7,400 units. The actual number of units achieved will depend, to a great extent, upon the efficiency of land use and the amount of land set aside for local streets. The standard R-1, R-2, and R-3 zoning categories were not used because the range of housing types included a higher number of small lot units. Generally, the Village Residential category would equate to R-1 and the Multi-Family category would equate to R-3 zoning.

FIGURE 3-P
Estimated Number of Potential Dwelling Units
Within the Village One Specific Plan Area

<u>Land Use Category</u>	<u>Units</u>
Very Low Density	80
Village Residential	5,425
Multi-Family	1,520
Senior Housing	375
TOTAL	7,400

**Estimated Number of Potential Dwelling Units Within the
Village One Specific Plan Area By Housing Type**

<u>HOUSING TYPE</u>	<u>UNITS</u>	<u>NET ACRES</u>
Ranchettes	8 0	4 5
Single-Family		6 7 9
on lots less than 5,000 s.f.	1,975	
on lots 5,000 s.f.	1,300	
on lots greater than 5,000 s.f.	2,150	
Multi-Family		7 9
senior housing	375	
multi-family	1,470	
mixed-use	50	
TOTAL	7,400	803

Assumptions for the Vacant Sites in the Urban Reserve (NE McHenry and Beyer)

The potential dwelling unit capacity for the two remnant neighborhoods: (NE McHenry and Beyer) are anticipated to be 2,129 units (including 247 existing mobilehomes, located within two mobilehome parks that will be included in the annexation). The breakdown is shown in the chart below.

Zone	Gross Acres	Net Acres	Average Density (du/net ac.)	Estimated Total Dwelling Units
R-1	118	96.3	6	578
R-2	62.5	53.7	12	644
R-3	32	28.6	23	660
TOTAL	212.5	178.6	--	1,882
Other Residential Mobilehomes (Existing)	25 acres			247

Source: LAFCO County of Stanislaus Draft Environmental Impact Report, Claratina-Coffee (NE McHenry) Reorganization and North Beyer Park Reorganization, February 1992.

Assumptions for the Urban Reserve, by Village and Remnant Neighborhood

FIGURE 3-Q
Buildout Estimates for the Urban Reserve

VILLAGE	COMPONENT NEIGHBORHOODS	ESTIMATED HOUSING UNITS
Village No. 2	Empire West	3,386
Village No. 2	Fairview	2,630
Village No. 3	Oakdale	2,855
	Mable	2,650
	Plainview	1,935
	Santa Fe	<u>2,733</u>
	TOTAL	10,173
Village No. 4	West Maze	1,628
	Vineyard	3,311
	Paradise West	<u>2,039</u>
	TOTAL	6,978
Village No. 5	Morrow	2,425
	Stanislaus	<u>2,599</u>
	TOTAL	5,024
Village No. 6	Kiernan	1,253
Village No. 7	Claribel	2,111
	Hetch Hetchy	<u>2,772</u>
	TOTAL	4,883
*	McKinney Colony	1,300
*	Aqueduct	1,865
*	Northwest McHenry	373
*	Northeast McHenry	1,104
*	Beyer	1,450
	GRAND TOTAL	40,419

*Remnant Neighborhoods. Because of location, size, and history, these areas are not part of any Village.

4.0 Housing Element Goals, Policies and Programs

This section of the Housing Element contains the goals, policies and programs the City intends to implement during the years of 1992-1997. As a general housing goal, the City shall seek to provide and maintain attractive residential neighborhoods with a variety of dwelling types and prices affordable to all segments of the population.

The fundamental purpose of the Housing Element is achieved through the implementation of "Programs". These programs are intended to be consistent with the General Plan "Policies" which, in turn, are consistent with the Housing Element "Goals". In other words, the specific attention should be focused on the programs, which include quantified objectives for meeting the future housing needs for the City of Modesto. That structure is presented and followed in this chapter.

Goal #1 Match Housing Supply With Need

Policy 1a: Establish and/or support programs to supply below market housing for very-low, low- and moderate-income households, as well as market rate housing.

Policy 1b: Work to supply housing for the unmet needs of lower income special needs groups, including: the disabled, the elderly, the homeless, and large families (families with five or more persons).

Policy 1c: Work to supply entry level housing as well as "step-up" housing.

Policy 1d: Promote the development of affordable housing on surplus, underused or vacant public lands, where appropriate and where compatible with existing uses.

Goal #2 Maximize Housing Choice Throughout The Community

Policy 2a: Promote equal opportunity for all residents to reside in the housing of their choice.

Policy 2b: Continue to make a strong commitment to the issue of fair housing practices, as well as ensure that fair housing opportunities prevail for all City residents regardless of age, sex, family status, income or source of income, race, creed, national origin or disabilities.

Policy 2c: Work to establish programs to assist in the removal of constraints to the production of housing, where feasible.

Policy 2d: Work to promote energy conservation activities in all residential neighborhoods.

Goal #3 Provide Safe and Decent Housing

Policy 3a: Maintain the supply of safe, decent and sound affordable housing in the City of Modesto through the conservation and rehabilitation of the City's existing housing stock.

Policy 3b: Focus the use of City resources for housing rehabilitation and assisted housing on those neighborhoods and residents having the greatest need for housing assistance.

Policy 3c: The City of Modesto should make a maximum effort to preserve, for its lower-income households, the units in assisted housing developments that are eligible to change to non- lower-income uses, due to terminations of subsidy contracts, mortgage prepayment, or expiration of use restrictions.

HOUSING ELEMENT PROGRAM SUMMARY

	Programs	Rehabilitation, New Construction, or Conservation	Number of Units/Households Assisted	Targeted Income Group
1a.1	Affordable Housing Catalog	Benefits All Types of Housing	Citywide*	All Income Groups
1a.2	Citywide Housing Trust Fund	Benefits All Types of Housing	Citywide	Very-low to Moderate Incomes
1a.3	Community Housing Coalition	Benefits the Develop- ment of Affordable Hsg.	Citywide	Lower Income Groups
1a.4	Community Reinvestment Act	Benefits the Develop- ment of Affordable Hsg.	Citywide	Very-low to Low-Income
1a.5	Comprehensive Housing Affordability Strategy	Focus on Rehabilitation	Citywide	Very-low to Low-Income
1a.6	Density Bonus	New Construction	500 Units	Very-low to Low-Income
1a.7	Land Banking	New Construction	Citywide	Very-low to Moderate
1a.8	Low /Mod. Housing Fund (Redevelopment Agency)	New Construction and Rehabilitation	Citywide	Low and Moderate
1a.9	Multi-Family Mortgage Revenue Bonds	New Construction	Citywide	Very low- to Low-Income
1a.10	Nonprofit Housing Development Corporation	New Construction and Rehabilitation	Citywide	Very-low to Low-Income
1a.11	Relocation Assistance Program (Redev. Agency)	Not Applicable	Citywide	All Income Groups
1a.12	Section 8 Certificates	New Construction	Assist 250 Households	Very-low Income
1a.13	Support Nonprofit Housing Sponsors	New Construction and Rehabilitation	Citywide	Very-low to Moderate Income
1a.14	Village One VLI Renters Assistance Program	New Construction	138 Households	Very-low Income
1a.15	Village One Hsg Trust Fund/Equity Sharing	New Construction	423 Households	101 Low-Income 322 Moderate
1a.16	"HOME" Consortium Program	Rehabilitation, Conservation, New Construction	Citywide	Very-low to Low-Income
1b.1	Federal Low-Income Tax Credits	New Construction	Citywide	Low-Income
1b.2	Handicapped Accessible Housing	New Construction and Rehabilitation	Citywide	All Income Groups
1b.3	Single Room Occupancy	New Construction	50 Units	Very-low and Low-Income

*Certain Housing Programs will apply Citywide and are not targeted towards specific households to be assisted. Nevertheless, these programs represent a significant commitment to affordable housing.

HOUSING ELEMENT PROGRAM SUMMARY (cont.)

	Programs	Rehabilitation, New Construction, or Conservation	Number of Units/Households Assisted	Targeted Income Group(s)
1b.4	Coordination w/Agencies Serving the Homeless	Not Applicable	Citywide	Very-low to Moderate-Income
1b.5	State Bond Programs	New Construction, Rehab. & Conservation	Citywide	Very-low and Low-Income
1b.6	Transitional Housing	Conservation: Existing leased units from HUD	3 Households	Very-low to Low-Income
1c.1	First-time Homebuyer Program	New Construction and Rehabilitation	Citywide	Lower to Moderate Income Groups
1c.2	Mortgage Credit Certificates	New Construction	Citywide	Low to Moderate Income
1c.3	Market Rate Program	New Construction	5,000 Units	Moderate to Above Moderate
1c.4	Single Family Mortgage Revenue Bonds	New Construction	Citywide	Low- to Moderate Income
1d.1	Identification of Surplus Public Lands	New Construction	Citywide	All Income Groups
2a.1	Manufactured Housing	New Construction	Citywide	Low to Moderate
2a.2	Second Units	New Construction	50 Units	Lower Incomes
2b.1	Community Housing Resources Board	New and Existing Housing	Citywide	Fair Housing for All Incomes
2b.2	Human Relations Commission	New and Existing Housing	Citywide	Applies to All Income Groups
2c.1	Annual Report of the General Plan	Not applicable	Citywide	Applies to All Income Groups
2c.2	Multi-family Developer Incentive Program	New Construction	Citywide	Very-low to Low-Income
2c.3	Priority Processing for Affordable Housing	New Construction	Citywide	Very-low to Low -Income
2c.4	Reduction of Parking Standards	New Construction-- Senior Citizen Projects	Citywide	Very-low to Low-Income
2c.5	Streamline Application Process	New Construction	Citywide	All Income Groups
2d.1	Energy Conservation & Efficiency	New Construction and Rehabilitation	Assist: 125 New & 125 Rehab. Units	Low- Income
3a.1	State of CA Housing Rehabilitation Program	Rehabilitation	50 Housing Units	Low-Income
3a.2	Distribution of Energy Savings Devices	Rehabilitation	Assist 100 Households	Very-low to Low-Income

HOUSING ELEMENT PROGRAM SUMMARY (cont.)

Programs	Rehabilitation, New Construction, or Conservation	Number of Units/Households Assisted	Targeted Income Group(s)
3a.3 Rehabilitation Education	Rehabilitation	Citywide	Very-low to Moderate Incomes
3a.4 Housing Condition Survey	Rehabilitation	All Housing Units	All Income Groups
3a.5 Rental Rehab. Program	Rehabilitation	50 units	Very-low to Low-Income
3a.6 Water Conservation	Rehabilitation	250 Households	All Income Groups
3b.1 Emergency Home Repair	Rehabilitation, Conservation	Assists all very-low income units	Very-low Income
3b.2 Handicapped Barrier Removal Program	Rehabilitation, Conservation	All Handicapped Homeowners	All Income Groups
3b.3 Home Emergency Loan Program	Rehabilitation, Conservation	Assists Homeowners	Low-Income
3b.4 Housing Maintenance Program	Rehabilitation, Conservation	600 Housing Units	Very-low to Low-Income
3c.1 Coordination w/ HUD to Monitor At-Risk Units	Conservation of Existing Units	Monitor 513 HUD subsidized units 1992 to 1997	Very-low to Low-Income
3c.2 Coordination w/ Agencies to Monitor At-Risk Units	Conservation of Existing Units	All At-Risk Units	Very-low to Low-Income
3c.3 Housing Program Office to Monitor At-Risk Units	Conservation of Existing Units	Monitor 706 units at-risk between 1992-1997	Very-low to Low-Income

The table below summarizes the quantified objectives for each income category and represents the City's "good faith" effort in meeting the overall projected housing needs during the 1992-1997 planning period. The following summary represents the best uses of all available funds:

SUMMARY OF QUANTIFIED OBJECTIVES

<u>INCOME GROUP</u>	<u>NEW CONSTRUCTION</u>	<u>REHABILITATION</u>	<u>CONSERVATION</u>
VERY-LOW	688	375	625
LOW	526	550	622
MODERATE	2,822	--	--
ABOVE MODERATE	2,500*	--	--
TOTAL	6,536	925	1,247

* The major source of new construction in this category will be the Village One Specific Plan area. The April 21, 1992 election, to annex this property, was successful. The quantified objective of 2,500 above moderate units is realistic, assuming favorable economic conditions.

GOAL #1 MATCH HOUSING SUPPLY WITH NEED

Policy 1a Establish and/or support programs to supply below market housing for very-low, low- and moderate-income households, as well as market rate housing.

Action Programs:

1a.1 Affordable Housing Catalog

Program Description: Existing. Aggressively explore the variety of potential financial housing assistance programs from both the public and private sector to provide more affordable housing units. Update the Village One Affordable Housing Catalog; which highlights all available local, state, federal and private affordable housing programs; to include citywide programs for new housing as well as programs that assist in the conservation and/or rehabilitation of existing housing. This catalog should include ways to leverage additional funds to provide an even greater number of affordable housing units.

Time Frame: Ongoing. Update Annually.

Responsible Agency: City Planning

Funding Source: City Staff Time
General Fund, Community Development Block Grants

1a.2 Citywide Housing Trust Fund

Program Description: New. The City shall seek to establish a Citywide Housing Trust Fund whose purpose would be to provide financial support to various housing programs, and to increase the supply of housing affordable to very-low, low- and moderate-income households. The Housing Trust Fund should also seek to improve the neighborhoods and housing conditions of the City's residents who are at or below 80% of the area median income, as established by HUD.

Time Frame: 1993- Staff to study the feasibility of a citywide program
1994- Draft Ordinance

Responsible Agency: 1995-1996- Study Village One Program for Applicability
Planning & Community Development Department
Planning Commission, City Council
Redevelopment Agency

Funding Source: Tax increment funds, land sales, home purchase assistance programs, and other future resources that would increase the supply of low- and moderate-income housing. In addition, the funding sources used uniquely for Village One shall be considered in the near future, for possible use citywide.

1a.3 Community Housing Coalition

Program Description: New. Consider the establishment of a local community housing coalition that may include the following: Realtors, developers, business leaders, environmentalists, low-income housing producers and social service providers. This coalition could meet on semi-annual basis to discuss and exchange information on successful affordable housing programs that can be implemented on a community-wide basis.

Time Frame: 1993-1994 Draft proposal

Responsible Agency: City Planning & Community Development Department
Stanislaus County Planning Department
Stanislaus County Housing Authority
Community groups & organizations interested in housing
STANCO, Modesto Association of Realtors

Funding Source: Community Development Block Grants, Private resources

1a.4 Community Reinvestment Act

Program Description: New. The City shall seek to establish a program to work with local Community Reinvestment Act lenders. This program could be the development of a resource list for interested developers/builders, as well as commercial lenders interested in funding construction loans for low-income housing. As a result of the passage of the Community Reinvestment Act, many commercial lenders have developed an interest in funding low-income projects, within their local community.

Time Frame: 1992-1993

Responsible Agency: City Planning & Community Development Department
City Finance Department
Local Banks/Lenders

Funding Source: General Fund/Private resources

1a.5 Comprehensive Housing Affordability Strategy (CHAS)

Program Description: New. HUD requires communities to develop a CHAS in order to apply for certain housing assistance programs. 1991 was the first year in which a CHAS was required. The development of the 1992 CHAS shall be consistent and reflect the policies and programs of the Housing Element. Preparation of a CHAS acts a jurisdictions "notice of intent" to participate in applying for program funding offered by HUD.

Time Frame: Due annually on October 31st.

Responsible Agency: City of Modesto Housing Program Office
Planning & Community Development Department

Funding Source: Community Development Block Grants

1a.6 Density Bonus

Program Description: Existing. Continue to grant density bonuses for the provision of affordable housing units as required by state law. The units shall remain affordable for a minimum of 10 years. For those granted additional incentives, the units must remain affordable for 30 years.

Quantified Objective: 500 new multi-family density bonus units between 1992 and 1997 (or an average of 100 units per year, with rents affordable to those in the lower income categories).

Time Frame: Ongoing, as applications are received.

Responsible Agency: Planning & Community Development Department
Planning Commission
City of Modesto City Council

Stanislaus County Housing Authority (contract monitoring)

Funding Source: General Fund; Applicant for contract monitoring costs

1a.7 Land Banking

Program Description: New. The City shall work towards establishing a land banking program for very-low, low- and moderate-income housing. In this program, the City's Nonprofit Housing Corporation, or Redevelopment Agency would purchase land for affordable housing where there is a reasonable expectation that development will occur there in the short-term future. (The establishment of a Citywide Nonprofit Housing Corporation is listed under Program 1a.10.)

Time Frame: 1993: Staff Study on feasibility of program

1994: Draft Ordinance

1995: Adopt Ordinance

1996-1997: Purchase sites, if possible

Responsible Agency: City Nonprofit Housing Corporation

City Housing Program Office

City Property Agent

Local Nonprofits (STANCO, Habitat for Humanity)

Funding Source: Initially commitment of planning staff time, HUD, Community Development Block Grants, technical and financial assistance from financial institutions, and possible Redevelopment Funds.

1a.8 Low- and Moderate-Income Housing Fund

Program Description: Existing. State law (AB265) required that all redevelopment project areas in the state, to set aside 20% of tax increment revenues for increasing and improving the community's supply of low- and moderate-income housing. Furthermore, Chapter 1140, Statutes of 1989 amended the Housing Element Law to require the housing program of an Element to include a description of the use of moneys in the Redevelopment Agency's Low- and Moderate-Income Housing Fund. This fund was established with the adoption of an expanded project area in 1991. It is estimated that over the next five years there will be one million dollars accumulated in this fund. It has not yet been determined how these funds will be used. However, this Housing Element proposes several programs (e.g. 1a.11, 1a.13 and 1b.3) that could assist the Redevelopment Agency in increasing and improving the community's supply of low- and moderate-income housing.

Time Frame: To begin when tax increment funds become available (estimated to begin in 1992-1993). When this occurs, the Agency will develop a program which will set forth the means of distributing funds generated by the Redevelopment Agency.

Responsible Agency: Redevelopment Agency

Funding Source: 20% of the tax increment allocated to the Redevelopment Agency.

1a.9 Multi-Family Mortgage Revenue Bonds (MFMRB's)

Program Description: Existing. Continue to participate in mortgage revenue bond programs when market conditions stimulate developer participation. MFMRB's provide tax-exempt low-cost financing to developers of projects who provide a portion of rental units at rents affordable to lower income households.

Time Frame: Re-evaluate annually. At this time, market-rate interest rates are low, so there is little developer interest in the program. However, if interest rates change, this program should be re-evaluated.

Responsible Agency: Stanislaus County Housing Authority
City of Modesto Housing Program Office
Modesto City Council

Funding Source: Community Development Block Grants
Developers pay cost of bond issue

1a.10 Nonprofit Housing Development Corporation

Program Description: New. Establishment of a Nonprofit Housing Development Corporation to promote, assist and or sponsor housing developments in the City of Modesto for lower income families. The City will establish a Nonprofit Housing Development Corporation. The City will develop a citywide publically-assisted program to be administered by the nonprofit. This present program does not prohibit the City from working with STANCO or other nonprofit housing agencies, nor does it require the creation of a new agency. When this program is implemented, the most effective agency structure will be determined at that time.

Time Frame: 1992-1993: Draft Ordinance and Establish Corporation
Responsible Agency: City of Modesto Housing Program Office
Planning & Community Development Department
Funding Source: Community Development Block Grants, HOME funds.

1a.11 Relocation Assistance Program

Program Description: Existing. This program assists residents who may need relocation assistance because of the Redevelopment Agency actions. If relocation is necessary, this program helps to minimize relocation as much possible by implementing the Agency's relocation guidelines.

Time Frame: Ongoing. The Redevelopment Agency's relocation guidelines were revised and updated on January 28, 1992.
Responsible Agency: Redevelopment Agency
Funding Source: 20% of the tax increment allocated to the Redevelopment Agency

1a.12 Section 8 Certificate Program

Program Description: Existing. Under this program, eligible participants pay a maximum of 30 percent of their income for rent. The program then pays the difference between the rent the participants pay and the total (market rate) rent of the unit.

Quantified Objective: 250 certificates issued (or 50 per year) between 1992-1997, to assist those households in the very-low-income category.
Time Frame: Ongoing. The City will monitor annually the number of Section 8 certificates issued by the Housing Authority.
Responsible Agency: Stanislaus County Housing Authority
Funding Source: HUD

1a.13 Support Nonprofit Housing Sponsors

Program Description: Existing. Support non-profit corporations such as the Stanislaus County Affordable Housing Corporation in their efforts to make housing more affordable to lower- and moderate-income households.

Time Frame: Ongoing, provided as necessary. The City will continue to provide technical or financial assistance to local nonprofit housing sponsors who construct, acquire and or improve lower- and moderate-income housing within the City of Modesto.

Responsible Agency: City of Modesto Housing Program Office
City Council
STANCO, Habitat for Humanity

Funding Source: Community Development Block Grants
20% tax increment funds, Private resources

1a.14 Very-low Income Renters Assistance Program

Program Description: New. Establish a Renters Assistance Program to assist very-low income households seeking new rental housing in Village One. Possible very-low-income households needing assistance: senior citizens (Senior housing will be provided in the Village Center, as described in the Village One Specific Plan). If this program proves successful, consideration will be made to establish a program of this nature citywide.

Quantified Objective: Provide assistance to an estimated 138 Very-low income households.

Time Frame: 1993-1994 Establish program
1995-1996 Evaluate the success of this program to consider its implementation citywide.

Responsible Agency: Planning & Community Development Department
City Nonprofit Housing Corporation
Stanislaus County Housing Authority

Funding Source: Density Bonus, Community Development Block Grants, HUD Section 8, Section 202 Elderly, HOME funds, Multi-family Mortgage Revenue Bonds.

1a.15 Village One Housing Trust Fund/Equity Sharing Program

Program Description: New. The City shall draft and adopt an ordinance establishing a Housing Trust Fund/Equity Sharing Program, which will be supported by a developer fee based on single family homes built in excess of 800 square feet. This program will assist eligible low- and moderate-income households with "gap financing", with the City taking an equity share in the home. The funds collected from the Equity Sharing Program will go into the Housing Trust Fund. The program represents the best utilization of local resources and was developed by the Village One Affordable Housing Task Force. In addition, should State or Federal government funds become available, the City will consider applying for these funds to assist in the implementation of this program.

Quantified Objective: Approximately 101 low- and 322 moderate-income first-time homebuyers will be eligible to participate in this program. The City's Housing Program Office will administer and monitor this program. To assure that this program is maintained over the long term, funds collected from resales would be recycled in the form of new gap financing loans.

Time Frame: 1992- Establish Trust Fund Ordinance
1993- Development begins in Village One, Trust Fund receives first of funding
1994- A percentage of low- and moderate-income households are assisted, as funds are accumulated.

Responsible Agency: City of Modesto Housing Program Office
Planning & Community Development Department

Funding Source: Single Family builders contribution
Capital gains from resales in Equity Sharing Program

1a.16 HOME Consortium Program

Program Description: New. The City of Modesto will explore participating in the formation of a Consortium for the purpose of seeking increased federal funding under the HOME program. The formation of the Consortium should include other incorporated cities and the County, along with the Stanislaus County Housing Authority. It is assumed that this Consortium could potentially increase the entitlement funding for all members, including the City.

Time Frame: 1992- Explore participating in a Consortium to determine if it is beneficial to the City (i.e., if the City's entitlement funding will be increased.)
1993- If Consortium is beneficial to the City, proceed with the formation and administration.

Responsible Agency: Stanislaus County Housing Authority
Planning & Community Development Department
Stanislaus County Planning Department
Other Incorporated Cities within the County

Funding Source: Initial program start-up would require staff time.

Policy 1b Work to supply housing for the unmet needs of lower income special needs groups, including the disabled, the elderly, the homeless, and large families (families with five or more persons).

Action Programs:

1b.1 Federal Low-Income Tax Credits

Program Description: Existing, but limited source of funding. Encourage the use of Federal Tax credits for the production of low-income housing. City staff will research the use of Federal Tax Credits and request application packets from the Mortgage Bond Allocation Committee; prepare an information summary to inform prospective users of the program.

Time Frame: Prepare List by 1993

Responsible Agency: Planning & Community Development Department
Providers of Multi-family Housing

Funding Source: Federal and State Government. (Recognizing the urgent need for housing of larger families, state law requires that priority for tax-exempt funds be given to projects containing three or more bedroom units.)

1b.2 Handicapped Accessible Housing

Program Description: Existing. The City shall continue to comply with the 1988 Fair Housing Access Act, which requires access requirements for disabled and physically handicapped persons for public and multi-family housing.

Time Frame: Ongoing. The City will continue to comply with the 1988 Fair Housing Access Act, as well as any new access requirements that may result from future legislation.

Responsible Agency: City Planning and Building Inspection Divisions
Providers of public and multi-family housing

Funding Source: General Fund
Private Resources

1b.3 Single Room Occupancy

Program Description: New. The City shall develop an ordinance that will encourage the development of single-room occupancy housing units. These units can serve primarily the lower income tenant, and should be located in close proximity of existing social services, such as within the City's urban transitional zones. Development of this program would include the identification of, and the elimination of, any present development regulations which would preclude construction of single-room occupancy projects.

Quantified Objective: 10 new units per year; or an average of 50 new units between 1992 and 1997; which will provide housing to lower income residents.

Time Frame: 1992-1997

Responsible Agency: City of Modesto Housing Program Office
Redevelopment Agency
Nonprofit and/or For-profit Housing Corporations

Funding Source: HUD Rental Rehabilitation Loans,
Federal Emergency Management Agency Funds
State Proposition 107 Funds
Redevelopment Tax increment Funds

1b.4 Coordination with Agencies Serving the Homeless

Program Description: Existing. The City shall continue to work with agencies such as the County Social Services Department, the Community Temporary Shelter Services Coalition (CTSSC), United Way and the Modesto Gospel Mission on developing housing and employment programs for the homeless.

Time Frame: Ongoing meetings with agencies that assist the homeless.

Responsible Agency: City Housing Program Office
United Way, CTSSC, Homeless Service Providers
Stanislaus County Social Services Dept.

Funding Source: FEMA and HUD Homeless Funds
Community Development Block Grants; United Way

1b.5 State Bond Programs

Program Description: New. In general, the City shall seek to secure state bond financed funds, such as Proposition 84 and 107 Bond funds, which provide financing for several affordable housing programs. One such program makes low interest deferred payment loans to public and private developers to develop affordable rental housing. Prop. 107, the "Housing and Homeless Bond Act of 1988", provides funding for the following: emergency shelters and transitional housing for homeless persons; the development of new rental housing that meet the needs of the elderly and disabled; the purchase and or rehabilitation of residential hotels; and provides home purchase assistance for first-time homebuyers.

Time Frame: Apply for funding on annual basis

Responsible Agency: City of Modesto Housing Program Office
City Non-profit Housing Corporation

Funding Source: State Bond Funds

1b.6 Transitional Housing Program

Program Description: Existing. The City shall continue to work with HUD and the Community Temporary Shelter Services Coalition in providing transitional shelter (single family residences), and counseling services to homeless families.

Quantified Objective: Seek to provide three (3) more single-family residences between 1992-1997 for families in need of transitional shelter.

Time Frame: Ongoing. The City of Modesto Housing Program Office and the Community Temporary Shelter Services meet or confer on a monthly basis.

Responsible Agency: City of Modesto Housing Program Office
Community Temporary Shelter Services Coalition

Funding Source: Community Development Block Grants, HUD
State Bond Funds (Prop. 107)
Federal Emergency Management Agency Funds

Policy 1c Work to supply entry level housing as well as "step-up" housing.

Action Programs:

1c.1 First-time Homebuyer Program

Program Description: New. Develop a Citywide program to assist first-time homebuyers of low- and moderate-income with downpayment assistance. Work with local groups such as the Association of Realtors, Mortgage Lenders Association, Building Industry Association (BIA), Modesto Chamber of Commerce Affordable Housing Task Force, and others to establish a first-time homebuyers program.

Time Frame: 1992-1993 Contact listed groups for interest

Responsible Agency: City of Modesto Housing Program Office
Planning and Community Development Department
Association of Realtors, BIA, Chamber of Commerce,
Mortgage Lenders Association

Funding Sources: General Fund, Redevelopment Tax Increment
Private Resources

1c.2 Mortgage Credit Certificates

Program Description: New. Mortgage Credit Certificates allow first-time homebuyers to take 20 percent of their annual mortgage interest as a dollar-for-dollar tax credit against their federal income tax. Certificates are issued by a local agency (e.g. Housing Authority) and are most applicable for moderate-income households.

Time Frame: 1993: Investigate the use of Mortgage Credit Certificates

Responsible Agency: First-time Homebuyers
Planning & Community Development Department
Stanislaus County Housing Authority

Funding Source: California Debt Advisory Board
Franchise Tax Board

1c.3 New Construction: Moderate and Above Moderate Units

Program Description: Existing. Past results revealed that private sector residential construction activity produced an estimated 9,155 new moderate- and above moderate-income housing units between 1984-1989. It is expected that the building activity in these income categories will continue, although not as many as in the previous years.

Quantified Objective: 5,000 market rate units, (or 1,000 new units per year) to be constructed at prices that meet the incomes of those households in the moderate- or above-moderate-income categories.

Time Frame: 1992-1997

Responsible Agency: Private Sector Developers

Funding Source: None Needed

1c.4 Single Family Mortgage Revenue Bonds (SFMRB's)

Program Description: Existing. Continue to encourage the participation in Single Family Mortgage Revenue Bond programs, when market conditions stimulate developer participation. SFMRB's provide tax-exempt financing to first-time homebuyers.

Time Frame: Re-evaluate annually. At this time, market-rate interest rates are low, so there is little developer interest in the program. However, if interest rates change, this program should be re-evaluated.

Responsible Agency: Developers
City of Modesto Housing Program Office
Planning & Community Development Department
Modesto City Council

Funding Source: Program cost borne by developer

Policy 1d Promote the development of affordable housing on surplus, underused or vacant public lands, where appropriate and where compatible with existing uses.

Action Program:

1d.1 Identification of Public Surplus Lands

Program Description: New. Establish a program to identify and monitor surplus public lands suitable for residential development. The surplus land could possibly be purchased by the City's Nonprofit Housing Corporation or other housing providers to develop affordable housing. The program will consist of a listing of suitable surplus lands. This listing will be available to local nonprofit housing providers, as well as other agencies interested in the development of affordable housing.

Time Frame: 1992-1994: Identify Surplus Lands & Develop List
Responsible Agency: Planning & Community Development Department
City Property Agent
Funding Source: General Fund

GOAL # 2: **MAXIMIZE HOUSING CHOICE THROUGHOUT
THE COMMUNITY**

Policy 2a **Promote equal opportunity for all residents to reside in the housing of their choice.**

Action Programs:

2a.1 Manufactured Housing

Program Description: Existing. Continue to allow manufactured housing/mobilehomes in all residential districts provided that it meets the same standards as conventional housing and is placed on a permanent foundation.

Quantified Objective: 10 units per year, which will assist in the provision of affordable housing to those in the low- to moderate-income category.

Time Frame: Ongoing, as applications are received.

Responsible Agency: Planning and Community Development Department

Funding Source: No cost to the City

2a.2 Second Units/Accessory Units

Program Description: Existing. Continue to encourage the use of second units in single-family residential areas where additional parking for the second unit is provided, and where the second unit neither adversely affects nor alters the character of the surrounding single-family residence.

Quantified Objective: 10 per year, for a total of 50 units by 1997

Time Frame: Ongoing, as applications are received.
Annually monitor the number of applications.

Responsible Agency: Planning & Community Development Department
Planning Commission

Funding Source: No cost to the City

Policy 2b Continue to make a strong commitment to the issue of fair housing practices, as well as ensure that fair housing opportunities prevail for all City residents regardless of age, sex, religion, ancestry, marital status, family status, income or source of income, race, creed, national origin or disabilities.

Action Programs:

2b.1 Community Housing Resources Board (CHRB)

Program Description: Existing. The Federal Department of Housing and Urban Development in conjunction with the Association of Realtors, recommends the establishment of a local fair housing educational board. This board, appointed by HUD, is comprised of local people in the community interested in fair housing and acts as a referral group.

Time Frame: Ongoing. The City, in conjunction with HUD, and the Modesto Association of Realtors, shall continue working with the Modesto CHRB in order to assist the City in "affirmatively further fair housing".

Responsible Agency: Modesto Association of Realtors, HUD
City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

2b.2 Human Relations Commission

Program Description: Existing. Support the work of the Human Relations Commission, which acts a conduit for fair housing complaints and referral to enforcement agencies. The Commission acts as the first line of referral, in conjunction with the State Department of Fair Employment and Housing. Informational brochures and copies of complaint forms are available throughout the community. The complaint referral process is publicized through the Modesto Bee, the County Library, local schools, and through local housing advocacy groups. The goal of this Commission is to ensure that fair housing opportunities prevail for all City residents.

Time Frame: Ongoing. Commission meetings are held in the City Council Chambers on the third Tuesday of each month, at 5:00 p.m., and are open to the public. Notices of these meetings are posted at various community locations, including City Hall, and are published in the Modesto Bee.

Responsible Agency: City of Modesto Human Relations Commission
City Manager's Office

Funding Source: General Fund

Policy 2c Work to establish programs to assist in the removal of constraints* to the production of housing, where feasible.

Action Programs:

2c.1 Annual Report of General Plan

Program Description: New. In accordance with State law, an annual review of all elements in the General Plan must be reviewed by the City Council. This review must include the progress of the Housing Element in meeting its share of the regional housing needs, along with updates of 1990 Census data, where applicable. In order to fulfill this requirement with regards to the Housing Element, the City will monitor this element, yearly to:

- check on program implementation
- update 1990 Census data in sections (such as Overpayment and Income Figures)

After the Annual General Plan Report is reviewed by the City Council, the City will send a copy of this report to the HCD, within 30 days, so that they may review the Housing Element Section. Beyond this review, the City will make any necessary amendments to the General Plan to correct any inconsistencies that are found.

Responsible Agency: Planning and Community Development Department

Time Frame: Annually

Funding Source: General Fund

2c.2 Multi-family Developer Incentive Program

Program Description: Existing. The Stanislaus County Housing Authority and nonprofit sponsors of housing for very-low-income households are exempt from Capital Facilities Fees (developer fees). For multi-family projects with density bonuses, a certain percentage of the projects must serve very-low or low-income households. For these projects, developer construction fees are levied by deferring payment of Capital Facility Fees with twenty percent required down and five years to pay. Fee waivers or deferrals pertain to only the City's fees and do not refer to school district fees.

Quantified Objective: Assist multi-family density bonus project developers with fee deferrals of Capital Facility Fees, for projects serving very-low and low-income households. Approximately 500 lower-income multi-family units, can be assisted by this program, by 1997.

Time Frame: Ongoing, as applications are received and reviewed for compliance.

Responsible Agency: Planning & Community Development Department
City Council

Funding Source: Community Development Block Grants
General Fund

*These constraints are identified in Chapter 3.0

2c.3 Priority Processing for Affordable Housing Projects

Program Description: New. Time is a very important factor in the cost a housing project. It is especially important to the economic feasibility of very-low, and low-income housing, thus, the City will give such projects priority in application processing. This priority will extend to building inspections carried out during various phases of the construction process. This priority program will be reviewed by the City Attorney to ensure the legality of such a program.

Time Frame: 1992-1993 Staff to conduct a feasibility study

Responsible Agency: Planning & Community Development Department
City Building Inspection Division
City Attorney

Funding Source: General Fund

2c.4 Reduction of Parking Standards

Program Description: Existing. The City of Modesto allows a reduction in parking standards for senior citizen housing developments. The objective is to match parking standards with need to reduce costs.

Time Frame: Ongoing, as applications are received

Responsible Agency: Planning & Community Development Department

Funding Source: None Needed

2c.5 Streamline Application Process

Program Description: Existing. Continue efforts to streamline and improve the development-review process, as well as eliminate any unnecessary delays and restrictions in the processing of permits for applications and projects submitted.

Time Frame: Ongoing, the City will continue its periodic review of permitting processes.

Responsible Agency: Planning & Community Development Department

Funding Source: General Fund

Policy 2d Work to promote energy conservation activities in all residential neighborhoods.

Action Programs:

2d.1 Energy Conservation and Efficiency

Program Description: Existing. Continue to encourage development and construction standards that encourage energy conservation in residential buildings. The City of Modesto Housing Program Office, and agencies such as P.G. & E., and the Modesto Irrigation District, provide no cost or low-cost weatherization and other energy efficient programs to low-income residential households. Public service announcements and brochures are provided to reach the widest possible audience.

Quantified Objective: Assist 50 housing units annually

Time Frame: 1992-1997

Responsible Agency: City of Modesto Housing Program Office
Modesto Irrigation District
Pacific Gas & Electric Company

Funding Source: Community Development Block Grants
Energy grants
Set-aside funds provided by private energy providers

GOAL 3 PROVIDE SAFE AND DECENT HOUSING

Policy 3a Maintain the supply of safe, decent and sound affordable housing in the City of Modesto through the conservation and rehabilitation of the City's existing housing stock.

Action Programs:

3a.1 California Housing Rehabilitation Program

Program Description: Existing. This program offers housing rehabilitation loans as low as three percent to low-income owner/occupants; with a maximum loan amount of \$10,000.

Quantified Objective: 10 units per year, or an average of 50 units between 1992-1997. Note: This objective may be achieved in conjunction with funding from other programs.

Time Frame: Seek funding on annual basis. The City intends to promote and support applications by local nonprofits. The City may submit an application directly to the state in the near future, when a specific project has been determined.

Responsible Agency: State Dept. of Housing and Community Development
City of Modesto Housing Program Office

Funding Source: State funds. (State funds are offered on a competitive basis & require leveraging of other funding sources.)

3a.2 Distribution of Energy Savings Devices

Program Description: Existing. The City will continue to distribute smoke detectors, water heater blankets, and anti-siphon backflow devices for hose bibbs, free of charge to rehabilitation clients. Also, to continue the maintenance of safe and decent housing and by contributing to energy savings and safety.

Quantified Objective: Installation of 20 devices per year (1992-1997)

Time Frame: Distributed on an ongoing basis, to rehabilitation clients.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

3a.3 Education of Available Rehabilitation Programs

Program Description: Existing. Continue to educate and inform all major ethnic groups and groups representing handicaps in the community of available rehabilitation programs through neighborhood and community organizations, and by using the most effective media.

Time Frame: Brochures and information are distributed on an ongoing basis.

Responsible Agency: City of Modesto Housing Program Office
Local Neighborhood and Community Groups

Funding Source: Community Development Block Grants

3a.4 Housing Condition Survey

Program Description: Existing. Continue to maintain a current housing condition survey of all housing units within the City. Also, an updated number of units in need of rehabilitation or replacement should be included.

Quantified Objective: Applies to all housing units within the City of Modesto.

Time Frame: Ongoing, updated on a monthly basis.

Responsible Agency: Planning and Community Development Department

Funding Source: General Fund

3a.5 Rental Rehabilitation Program

Program Description: Existing. The City's Housing Program Office provides financial assistance to owners of rental property to rehabilitate substandard units, in order to ensure that rental units are affordable to low- and moderate-income families.

Quantified Objective: 10 low- to moderate-income rental units per year (or a total of 50 units between 1992 and 1997).

Time Frame: Ongoing, this program is monitored monthly.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: HUD Rental Rehabilitation Funds
Community Development Block Grants
HOME Funds

3a.6 Water Conservation Program

Program Description: New. The City will consider the initiation of a water conservation program. The purpose of this program would be to install and encourage the use of water conservation devices and measures in all houses rehabilitated under the City's housing rehabilitation programs.

Quantified Objective: When program is established, assist 250 households with water conservation devices.

Time Frame: By 1992-1993, consider the establishment such a program
By 1994-1997, implement program, if established

Responsible Agency: City of Modesto Housing Program Office
City Public Works (Water Conservation Division)

Funding Source: Community Development Block Grants

Policy 3b Focus the use of City resources for housing rehabilitation and assisted housing on those neighborhoods and residents having the greatest need for housing assistance.

Action Programs:

3b.1 Emergency Home Repair Program

Program Description: Existing. Low interest loans, to repair immediate critical hazards for Modesto residents with very-low incomes, are available through the City's Housing Program Office.

Time Frame: Ongoing, as emergency requests are received.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

3b.2 Handicapped Barrier Removal Program

Program Description: Existing. This program provides free technical advice on removing mobility barriers from home or property. Low interest financing is also available to handicapped homeowners living in Modesto, to assist them with removing mobility barriers from their home or property.

Time Frame: Ongoing, as requests are received.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

3b.3 Home Emergency Loan Program (H.E.L.P.)

Program Description: Existing. This program is designed to correct substandard housing conditions and eliminate health and safety hazards. Low interest loans are available through the City's Housing Program Office for homeowners with incomes that fall into the 50-80% median area income, as determined annually by HUD.

Time Frame: Ongoing, as applications are received.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

3b.4 Housing Maintenance Program

Program Description: Existing. This program is designed to eliminate health and safety hazards within neighborhoods targeted for rehabilitation within the City of Modesto. The City's Housing Program Office provides technical and financial assistance to property owners required to make repairs ordered by the City's Building Inspection Division. This program is mandatory to ensure that an entire neighborhood, not just a few select properties, would undergo revitalization to meet requirements of the City's Housing Code.

Quantified Objective: Annually assist 120 very-low- and low-income target households with rehabilitation assistance, for a total of 600 units between 1992 and 1997.

Time Frame: Ongoing, this program is monitored on a monthly basis.

Responsible Agency: City of Modesto Housing Program Office

Funding Source: Community Development Block Grants

Policy 3c The City of Modesto should make a maximum effort to preserve, for its lower-income households, the units in assisted housing developments that are eligible to change to non-lower-income uses, due to terminations of subsidy contracts, mortgage prepayment, or expiration of use restrictions.

Action Programs:

3c.1 Coordination with HUD to Monitor At-Risk Projects

Program Description: Existing. The City of Modesto will continue to work with HUD, to ensure that any notification of potential sales of at-risk units are forwarded to the City. Any owners of projects at-risk of conversion must notify HUD of any impending sales or conversion and if they plan to prepay their mortgages and/or if they decide not renew their Section 8 contracts.

Quantified Objective: During 1992 to 1997, there are 513 Federally subsidized units potentially "at-risk" of converting to non-low-income uses. These projects will be closely monitored.

Time Frame: August 1992: El Casa Verde I and II (221(d)(3) and are subject to the Low-Income Housing Preservation Act (LIHPHA)

1993: Cameron Villa Apartments (221(d)(4) and Parkview Christian Estates (231);

1994: Neighborhood Manor (231)

1995: Vinewood Apartments (221(d)(4)

1996: Ralston Towers (236(J)(1)

Responsible Agency: City of Modesto Housing Program Office/HUD

Funding Source: Community Development Block Grants, HOME Funds

3c.2 Coordination with Other Agencies to Monitor At-Risk Projects

Program Description: Existing. The City of Modesto Housing Program Office will continue to work with the California Housing Partnership Corporation (CHPC). The CHPC provides support to localities and nonprofit housing corporations in addressing a wide range of preservation opportunities. The time frame below reflects a listing of Federally subsidized projects monitored by the CHPC. Program 3c.3 lists the number of projects "at-risk" of conversion from 1992 to 1997.

Time Frame: August 1992: El Casa Verde I and II (221(d)(3) and are subject to the Low-Income Housing Preservation Act (LIHPHA);
1993: Cameron Villa Apartments (221(d)(4) and Parkview Christian Estates (231);
1994: Neighborhood Manor (231); 1995: Vinewood Apartments (221(d)(4); and
1996: Ralston Towers (236(J)(1).

Responsible Agency: City of Modesto Housing Program Office & CHPC

Funding Source: Community Development Block Grants

3c.3 Monitor At-Risk Projects

Program Description: Existing. The City of Modesto Housing Program Office shall continue to monitor the at-risk assisted housing projects on annual basis. The City will keep in touch with the necessary agencies and sources, such as the Housing Authority, the owners of the at-risk units, HCD and HUD. This contact is essential and will help the city to be aware of any situation where assisted units are in danger of converting to non-low-income housing uses. The City will annually monitor the status of the Section 8 renewal contracts and HUD assisted units. The City will also continue to work with the Stanislaus County Housing Authority to develop contingency plans as needed if contracts are not renewed.

Quantified Objective: From 1992 - 1997, a total of 706 potential units "at-risk" need to be monitored. See below for annual breakdown.

Time Frame:

- August 1992: El Casa Verde I and II: 142 Units (221(d)(3):
{Subject to the Low-Income Housing Preservation Act (LIHPHA)})
- 1993: Cameron Villa Apartments: 68 Units (221(d)(4)
Parkview Christian Estates: 99 Units (231)
- 1994: Neighborhood Manor: 20 Sect. 8 Units (231)
- 1995: Vinewood Apartments: 75 Units (221(d)(4)
104 MF Mortgage Revenue Bond Units At-risk
3 Density Bonus Units At-risk
- 1996: Ralston Towers: 109 Section 8 Units (236(J)(1)
84 MF Mortgage Revenue Bond Units At-risk
2 Density Bonus Units At-risk

Responsible Agency: City of Modesto Housing Program Office
Redevelopment Agency
County Housing Authority
HCD, HUD

Funding Source: Community Development Block Grants, HOME funds
Additional Potential Resources: Redevelopment 20% Set-Aside Tax Increment,
Stanislaus County Housing Authority Reserves. Refer to Housing Element
Chapter 3.0, Preservation of At-Risk Housing Units.

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